

INDEPENDENT TRUST FINANCING FACILITY

APPLICATION

Name of Trust: Northumberland, Tyne and Wear NHS Foundation Trust

Amount Proposed: £35,000,000

Date of application: 17th January 2014

Former Strategic Health Authority:	North East			
Main Commissioners: (£'000)	(2013)	North Tyneside PCT	£69,748	22.04%
		Sunderland Teaching PCT	£52,866	16.71%
		Newcastle PCT	£49,830	15.75%
		Northumberland Care PCT	£45,525	14.39%
		South Tyneside PCT	£20,373	6.44%
		Others	£78,100	24.68%
		Total Income	£316,442	100.00%

	Limit	Drawn	Maturity	Rate
Existing Loans (Finance Leases)	£1,313,000	£1,313,000	N/A	N/A
(PFI)	£44,018,000	£44,018,000	N/A	N/A
(Other Loans)	£1,985,000	£1,985,000	N/A	N/A
(ITFF)	£40,000,000	£40,000,000	18/06/2037	2.06%
Total Existing:	£87,316,000	£47,316,000		
Amounts Proposed:	£35,000,000			
Total:	£122,316,000		49.20%	Tier 2

Purpose of new loan(s):

- 1) New Assessment and Treatment Inpatient Unit for Adults with Autism (£10mn)
- 2) Support of transformation programme through reconfiguration and upgrade of estate. (£25mn)

Term of new loan(s): 25 years

Repayment programme: Equal instalments of principal

Interest rate: National Loan Fund Rate currently 2.66%

Fees: Nil

Security/Covenants Negative pledge

Estimated Debt Capacity:

Long Term (2.5x debt service:revenue)	Tier 2	£248,612,810	Beds:	1237
Working Capital (30 days OpEx)		£25,067,753		

Date of Authorisation: 01/12/09 Trust Type: Mental health trust

Monitor Published Rating: Finance 3
Governance Green

Care Quality Commission Rating Meets all standards

Reference Cost Index (2010/11) 104 (MFF adjusted) 98 (Non-adjusted)

Ratios:	Required (Tier 1)	Projected (max)
Minimum dividend cover	>1x	4.95
Minimum interest cover	>2.5x	5.17
Minimum debt service cover	>1.5x	3.14
Maximum debt service / net revenue	<10%	3.15%
Debt / net assets		69%

Northumberland, Tyne and Wear NHS Foundation Trust (“NT&W”)

Introduction

NT&W has been developing a number of discrete transformation plans on a continuing basis over the past few years and some of these are now in the process of being implemented. This is reflected in efficiency plans, which are well developed for the next 2 years, but require further work after that.

As part of the ongoing process, the Trust is currently in the process of completing a number of further business cases, consulting with partners and agreeing on which sites specific in-patient services are located. It is currently estimated that capital investment of circa £20-25m will be required to facilitate this and bring all mainstream in-patient accommodation up to high standards. It has been the Trust's intention to submit a loan application to support these developments in 2014.

In addition to this the Trust already has a specific business case requiring a loan of £10 million covering a new build Assessment and Treatment Inpatient Unit for Adults with Autism. The current service provides a time limited assessment and treatment function for these complex individuals and currently occupies three units on the Northgate Hospital site; Ingram, Woodside and Middlerigg (with a total of 15 beds).

Whilst the Trust can demonstrate annual referrals of 15/20 patients, resulting in the admission of 10 patients to ensure viability of a 15 bedded service, the current buildings are of very poor quality and only a new build replacement can ensure the longevity of the service. In developing a business case, the two short listed options are to close the service, or invest in a 15 bed new build facility on the Northgate Hospital site.

In order to finance all planned developments the Trust will need to borrow up to £35 million. However should this amount not be considered affordable by the ITFF, NT&W might choose to prioritise other schemes above the Autism project, and for this reason this application has been presented for consideration of the full amount of £35 million.

The ITFF has previously agreed to a £40 million loan in 2011 to cover the re-provision of Cherry Knowle Hospital, a former asylum sold for redevelopment and vacated last year.

NT & W

The Northumberland Tyne and Wear NHS Mental Health Trust was created in April 2006 following the merger of two mental health Trusts (the Northumberland, Newcastle and North Tyneside NHS Mental Health Trust, and the South of Tyne and Wearside NHS Mental Health Trust) and a Learning Disabilities Trust (the Northgate and Prudhoe NHS Trust).

The merger of these three trusts created a mental health trust covering Northumberland, North Tyneside, South Tyneside, Gateshead and Wearside which is one of the largest of its kind in England, employing more than 6,500 staff, serving a population of approximately 1.4 million and providing services across an area totalling 2,200 square miles.

The Trust has a budget in excess of £300mn. with over 160 sites across Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside, Sunderland and North Easington and a number of regional and national specialist services. Services include Urgent Care Services, Planned Care Services, and Specialist Services delivered from seven main sites:

St Nicholas, Newcastle upon Tyne,
St George's Park, Morpeth, Northumberland,
Northgate, Morpeth, Northumberland,
Prudhoe, Northumberland,
Walkergate Park, Newcastle upon Tyne,
Cherry Knowle, Sunderland,
Monkwearmouth, Sunderland.

Financial Performance

By all measures the Trust has delivered a strong performance over the past three years, with EBITDA increasing from 7% to nearly 10% in 2012/13. This was ahead of plan partly due to reserves set aside for transformation not being utilised during the year.

Significant investment has been made in the Trust estate over the past three years, funded from a mixture of internal resources, asset sales and debt, with capital expenditure of £73.25mn against internally generated depreciation funding of only £22.39mn.

NT&W achieved this despite net debt increasing by only £16.2mn over the same period. In addition the Trust remained quite liquid (31 days) at the end of 2012-13, although this reflects some slippage in the transformation plan.

Despite the ambitious transformation plan, which continues for the next two years, the Trust has a not unreasonable CIP target of around 4% per annum, which is in part identified with outputs from the transformation itself (see Appendix3).

A copy of Monitor's Quarter 2 submission is attached. This suggests that Trust performance for 2013/14 remains close to plan.

Conclusion

NT&W is a large and complex Trust covering a significant region and the reconfiguration over the past three years has been essential to its continuing service provision. The continuing successful performance of the Trust to date gives confidence that the programme can be completed over the next two years, although it should be noted that the scale of the plans for 2014/15 remains significant.

There was a recognition, when agreeing the first loan in 2011, of the risks involved relating to future income, CIPs and the potential asset sales. At the time the Trust recognised these and put forward mitigations. So far the concerns have remained

groundless and with more than half the project complete have diminished. Asset sales have, for example, already funded some of the existing investment.

It was also clear that further debt would be required in 2013/14 and so this application is aligned with the plans presented three years ago.

NT & W continues to put forward a good case and clearly needs to make the investment. There is debt service capacity to support the additional debt which is recommended for approval. Ideally the Trust would like to have confirmation of the full amount , even if some of it remains “in principle” pending confirmation of the underlying individual projects.

NR/15.01.14

MONITORING RETURN – Q2 2013/14

COMMENTARY

1. FINANCE

The Trust's financial performance for the first 6 months of the year has been broadly in line with plans. The Trust has generated a £1.55m surplus (1.0%) which is slightly behind plan by £0.14m. Capital expenditure was £0.8m below plan mainly due to IM&T expenditure scheduled for the 2nd half of the year which was phased equally across the year in plans. Cash is £3.8m behind plan due primarily to slippage on the sale of Northgate land which was planned for September (Q2 plan = £4.0m). Final offers following planning considerations are due from our 2 selected bidders in December and the sale is now expected to be completed in March/April. If the sale completes in April this would reduce the Trust's Liquidity rating to a 3 at Q4, but the overall Continuity of Services rating will remain as a 3.

Although the Trust's year to date surplus is only slightly behind plan for the first 6 months of the year, the quarter 2 surplus was £0.47m behind plan. This was mainly due to efficiency savings being less than plan in the quarter. At the start of the year, the Trust had a fully identified efficiency plan for 13/14. However, due to a combination of slippage on some schemes and revised expected savings on others, the Trust is currently forecasting a £1.9m (16%) shortfall on recurring delivery against this year's efficiency target. This shortfall will carry forward for delivery next year through an increase in next year's target.

In terms of this year's year-end position, current forecasts are that the Trust will achieve a surplus of around £2.5m. However, work is being undertaken to identify further in-year mitigations which may improve the out-turn position. This means, the Trust is currently expecting to deliver a surplus of approximately £0.5m in each of the next 2 quarters, which would be below plan. This would not affect the Trust's Continuity of Services rating which would remain as a 3.

The Board has discussed these issues and emerging risks for 2014/15 in detail, including the additional risks associated with the recently announced GDP Deflator. A series of actions have been agreed, which will be reviewed by the Board through November and December, culminating in a further detailed review of financial strategy and plans for 2014/15 delivery to take place in early January. This will inform both the next quarterly submission, and the development of the annual plan to be submitted to Monitor in March.

Further analysis of the key variances is provided below.

1.1. EBITDA – (£0.3m) Adverse Variance (Q1 £0.3m, Q2 (£0.6m))

Key Issues	YTD Variance	Reason	Remedial Action Taken/Comments
Income – Patient Care	£0.3m Favourable	Mainly due to delay in retracting from Social & Residential Homes service (£0.7m) offsetting under-recovery in Cost and Volume Income (£0.4m).	
Income – Other	£0.2m Adverse	Minor Variances	

Pay	£0.1m Adverse	Higher than plan expenditure on Agency staff (£1.1m); in-year slippage on CIP schemes (£1.0m) and the delay in the retraction from the Social & Residential Homes service (£0.6m) which is being offset by lower than planned expenditure due to vacancies (£1.7m) and in-year slippage on non-recurring investment in transforming services (£1.0m).	
Non Pay - Other	£0.3m Adverse	Expenditure higher than plan on non-clinical supplies (£1.9m) including estates maintenance (£0.5m). This is being offset by non-utilisation of Trust Reserves (£1.6m)	Estates maintenance costs are more weighted to the first 6 months of the year so there will be an improvement in the 2 nd half of the year on this pressure.

1.2. Surplus - £0.1m Adverse Variance (Q1 £0.3m, Q2 (£0.4m))

Key Issues	YTD Variance	Reason
EBITDA	£0.3m Adverse	See table in 1.1 above
Depreciation	£0.2m Favourable	Minor Variances

1.3. Cash - £3.8m Adverse Variance

Key Issues	YTD Variance	Reason	Remedial Action Taken/Comments
Working Capital /Financing	£0.9m Adverse	The adverse variance is due to movements in working capital - debtors were £1.9m lower than plan. These were offset by creditors which were £0.2m higher than plan and provisions which were £0.8m higher than planned.	
Capital/Capital Creditors	£1.3m Favourable	Capital expenditure was £0.8m less than planned at the end of Q2 due to phasing of IM&T expenditure being different to plan; Capital Creditors were £0.5m higher than planned.	
Asset Sales	£4.0m Adverse	Asset sale of £4m planned in Q2 for Northgate land is now expected in March/April.	The Trust is continuing to work with its agents on its planned asset sales.
EBITDA	£0.3m Adverse	See table in 1.1	

1.4. Comments on Return Sheets

SOCI/SoFP/SoCF Sheets

- a) None

Variances/Checks Sheet

- a) None

Finance Risk Indicators

- a) The unplanned decrease in quarterly EBITDA margin in 2 consecutive quarters is showing as TRUE even though our EBITDA margin was greater than plan at Quarter 1. This issue was discussed by e-mail on 17th July.
- b) The Trust being unable to certify it will be at least a 3 over the next 12 months is showing as true even though confirmed has been entered on the Governance sheet due to a formula error.

2 GOVERNANCE

2.1 Membership

The Trust continues to grow its membership with a target of 14,000 public members 12 months post authorisation. At the end of Quarter 2, the Trust's public membership was 12,117.

2.2 Appropriate Board Roles and Structures

There were no changes to the Board of Directors during Quarter 2.

During Quarter 3 our new Chair Hugh Morgan Williams commences on 1 November 2013 and Dr Douglas Gee starts at the Trust on 1 December 2013 to replace our retiring Medical Director.

2.3 Council of Governors

There was one leaver and one new appointment to the Council of Governors during Quarter 2. The information which has been notified to Monitor during the quarter is shown below.

Starters

Type	Nominated – Newcastle City Council
Date of Change	8 July 2013
Reason	Notification of Nomination
Full Name	Councillor Veronica Dunn
Telephone	Work: 0191 2115154
Mailing Address	18 Merchants Wharf, St Peters Basin, Newcastle Upon Tyne, NE6 1TR

Leavers

Type	Nominated – Newcastle City Council
Date of Change	8 July 2013
Reason	Nominated
Full Name	Councillor Kevin Graham
Telephone	Work: 0191 2115154
Mailing Address	50 Launceston Close, Newcastle, NE3 2XX

2.4 Targets and Indicators

The Trust is meeting all of its performance targets.

The Trust is showing a rating of Green for governance.

From the 1st April the Trust is now required to report against the MRSA and C Diff indicators for our Neuro disability services and therefore we included this in our annual plan return and in our quarter 2 submission. I would like to confirm we are still not required to do this for our Mental Health and Learning Disability services which are commissioned under a separate contract.

In July (w/c 22nd July) we had a significant CQC inspection looking at Outcomes 2, 4, 7, 10, 13 and 16. The inspection was across 13 locations. The final reports for all 13 locations have now been received and we are fully compliant with all Outcomes in all locations. We had a further visit to one of our Learning Disability facilities in September 2013 and the final report for that inspection also showed full compliance with all Outcomes assessed.

2.5 Governance

With regard to the Governance Statement the Board has confirmed that:-

- 1) It anticipates that the Trust will continue to maintain a Continuity of Service risk rating of at least 3 over the next 12 months.
- 2) It is satisfied that plans in place are sufficient to ensure compliance with all existing targets.
- 3) There are no matter arising requiring an exception report which have not already been reported.

2.6 Mandatory Services

There have been no changes to the Trust's Mandatory Services.

3 CONSTITUTION CHANGES

In May, the Trust increased the number of governors from 35 to 46.

4 SOUTH OF TYNE DEVELOPMENT UPDATE

PRIDE Project:

Construction and procurement are progressing in accordance with programme. Work streams linked to contractor and Trust commissioning are established and productive. Previous slippage on expenditure has been retrieved and spend at Quarter 2 is slightly ahead of plan. Handover dates remain firm: October 2013 (Monkwearmouth) (handover next week) & April 2014 (Ryhope).

Signed
Director of Finance/Deputy Chief Executive

Date 24th October 2013

Financial Summary £m	Previous YE				Current Quarter				YTD			FY	
	Actual	Plan	Actual	Variance	Plan	Actual	Variance		Plan	Actual	Variance	Plan	
Operating Revenue for EBITDA	312.7	74.4	74.5	0.0	149.6	149.6	0.1		298.5				
Employee Expenses	(232.4)	(57.7)	(58.0)	(0.3)	(116.5)	(116.5)	(0.0)		(229.8)				
Drugs	(4.4)	(1.2)	(1.2)	(0.0)	(2.3)	(2.3)	0.0		(4.7)				
PFI operating expenses	(2.2)	(0.5)	(0.6)	(0.0)	(1.1)	(1.1)	(0.0)		(2.2)				
Other costs	(42.3)	(9.6)	(9.8)	(0.3)	(18.9)	(19.2)	(0.3)		(39.8)				
Clinical supplies	(3.8)	(0.9)	(0.9)	(0.1)	(1.8)	(1.7)	0.1		(3.5)				
Decrease (increase) in inventories of finished goods & WIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Vehicle Fuel costs (ambulance trusts)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Non-clinical supplies	(29.1)	(6.3)	(7.3)	(1.0)	(12.6)	(14.6)	(1.9)		(25.3)				
Cost of Secondary Commissioning of mandatory services	(1.5)	(0.4)	(0.4)	(0.0)	(0.8)	(1.1)	(0.3)		(1.6)				
Research & Development expense	(1.1)	(0.1)	(0.0)	0.0	(0.2)	(0.2)	(0.0)		(0.3)				
Education and training expense	(1.2)	(0.3)	(0.2)	0.1	(0.5)	(0.4)	0.2		(1.0)				
Misc. other Operating expenses	(4.9)	(1.5)	(0.8)	0.7	(2.8)	(1.4)	1.4		(7.6)				
EBITDA	31.3	5.5	4.9	(0.6)	10.8	10.5	(0.3)		22.1				
Donations of PPE & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Depreciation and amortisation	(7.4)	(1.9)	(1.8)	0.1	(3.8)	(3.7)	0.1		(7.8)				
Impairment Losses (Reversals) net (on non-PFI assets)	(12.4)	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Impairment Losses (Reversals) net on PFI assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Restructuring Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Operating Surplus	11.5	3.5	3.1	(0.5)	7.0	6.8	(0.2)		14.3				
Net interest	(3.5)	(1.1)	(1.0)	0.0	(2.1)	(2.1)	0.1		(4.2)				
Interest Income	0.4	0.0	0.0	0.0	0.0	0.0	0.0		0.1				
Interest Expense on Overdrafts and Working Capital Facilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest Expense on Bridging loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest Expense on Non-commercial borrowings	(0.7)	(0.3)	(0.3)	0.0	(0.6)	(0.5)	0.1		(1.2)				
Interest Expense on Commercial borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest Expense on Finance leases (non-PFI)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0		(0.0)				
Interest Expense on PFI leases & liabilities	(3.1)	(0.8)	(0.8)	(0.0)	(1.5)	(1.5)	(0.0)		(3.1)				
Other Non-Operating items	(5.9)	(1.6)	(1.6)	(0.0)	(3.2)	(3.2)	(0.0)		(6.4)				
Other Non-Operating income, Total	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Other Finance Costs	(0.1)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0		(0.1)				
PDC dividend expense	(4.9)	(1.3)	(1.3)	0.0	(2.6)	(2.6)	0.0		(5.2)				
PFI Contingent Rent	(0.9)	(0.3)	(0.3)	(0.0)	(0.5)	(0.6)	(0.0)		(1.1)				
Other Non-Operating expenses (incl. Misc)	0.1	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)		0.0				
Income Tax (expense)/ income	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Net Surplus / (Deficit)	2.1	0.9	0.4	(0.5)	1.7	1.5	(0.1)		3.7				
EBITDA % Income	10.0%	7.4%	6.6%	-0.8%	7.2%	7.0%	-0.2%		7.4%				
CIP% of Op.Exp. less PFI Exp.	3.8%	3.1%	2.1%	-1.0%	2.9%	2.1%	-0.8%		4.1%				
Pay CIPs as % Pay Costs	-3.3%	-2.6%	-1.5%	1.1%	-2.4%	-1.6%	0.9%		-3.3%				
Net Surplus / (Deficit)	2.1	0.9	0.4	(0.5)	1.7	1.5	(0.1)		3.7				
Change in working capital	(4.6)	(1.7)	(4.7)	(3.0)	(5.4)	(5.0)	0.5		(0.4)				
(Increase)/decrease in inventories	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.0		(0.0)				
(Increase)/decrease in tax receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
(Increase)/decrease in NHS Trade Receivables	2.8	(1.4)	(1.0)	0.4	0.8	2.9	2.1		0.8				
(Increase)/decrease in Non NHS Trade Receivables	0.8	0.0	(2.3)	(2.3)	(0.4)	(1.8)	(1.4)		(0.4)				
(Increase)/decrease in other related party receivables	1.1	0.0	(2.0)	(2.0)	(0.5)	(2.6)	(2.2)		(0.5)				
(Increase)/decrease in other receivables	(1.2)	(3.3)	0.1	3.4	(3.0)	0.5	3.6		(2.6)				
(Increase)/decrease in accrued income	0.1	0.0	2.0	2.0	(2.9)	(1.6)	1.3		0.0				
(Increase)/decrease in other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
(Increase)/decrease in prepayments	(0.2)	(0.2)	0.6	0.8	(0.7)	0.1	0.8		0.2				
(Increase)/decrease in Other assets	0.0	3.0	0.0	(3.0)	3.0	0.0	(3.0)		2.6				
Increase/(decrease) in Deferred Income (excl. Donated Assets)	(5.9)	(0.0)	(0.2)	(0.2)	0.2	(0.4)	(0.5)		0.1				
Increase/(decrease) in Deferred Income (Donated Assets)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Increase/(decrease) in Current provisions	1.9	(0.0)	(0.2)	(0.2)	(0.1)	(0.4)	(0.4)		(2.0)				
Increase/(decrease) in post-employment benefit obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Increase/(decrease) in tax payable	(0.1)	0.0	(0.0)	(0.1)	0.1	(0.1)	(0.2)		0.2				
Increase/(decrease) in Trade Creditors	(2.0)	(0.1)	(2.2)	(2.1)	(3.5)	(4.0)	(0.4)		(0.6)				
Increase/(decrease) in Other Creditors	0.0	0.0	0.2	0.2	0.6	0.7	0.1		0.0				
Increase/(decrease) in accruals	(1.8)	0.4	0.4	(0.0)	1.1	1.9	0.8		1.7				
Increase/(decrease) in other Financial liabilities	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)		0.0				
Increase/(decrease) in Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Increase/(decrease) in Non Current provisions	(1.3)	(0.1)	0.0	0.1	(0.1)	0.0	0.1		(0.2)				
Non cash I&E items	29.2	4.6	3.4	(1.2)	9.1	7.7	(1.4)		18.4				
Tax expense/(refund)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Finance (income)/charges	4.5	1.4	1.4	(0.0)	2.7	2.7	(0.1)		5.5				
Donations & Grants received of PPE & intangible assets (non cash)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Other operating non-cash (revenues)/expenses	0.0	0.0	0.1	0.1	0.0	0.0	0.0		0.0				
Depreciation and amortisation, total	7.4	1.9	1.8	(0.1)	3.8	3.7	(0.1)		7.8				
Impairment losses/(reversals)	12.4	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Unrealised (gains)/losses on foreign currency exchange	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
(Gain)/loss on disposal of property plant and equipment	0.1	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
(Gain)/loss on disposal of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Share of (profit)/loss loss from investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
PDC dividend expense	4.9	1.3	1.3	(0.0)	2.6	2.6	0.0		5.2				
Other increases/(decreases) to reconcile to profit/(loss) from operations	(0.1)	0.0	(1.1)	(1.1)	0.0	(1.3)	(1.3)		0.0				
Cashflow from operations	25.4	3.8	(0.9)	(4.7)	5.3	4.3	(1.0)		21.4				
Cashflow from investing activities	(25.7)	(7.7)	(11.3)	(3.6)	(18.0)	(20.8)	(2.8)		(38.0)				
Property, plant and equipment - maintenance expenditure	(1.5)	(0.6)	(0.3)	0.3	(0.6)	(0.5)	0.1		(1.8)				
Property, plant and equipment - non-maintenance expenditure	(24.3)	(11.4)	(11.9)	(0.5)	(20.9)	(21.1)	(0.1)		(43.0)				
Plant and equipment - Information Technology	(2.2)	(0.7)	(0.3)	0.3	(1.2)	(0.4)	0.8		(1.9)				
Plant and equipment - Other	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.0)	0.0		(0.2)				
Property, plant and equipment - other expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Proceeds on disposal of property, plant and equipment	2.1	5.1	1.0	(4.1)	5.7	1.7	(4.1)		10.1				
Purchase of investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Proceeds on disposal of investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Purchase of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Proceeds on disposal of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Expenditure on capitalised development	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Increase/(decrease) in Capital Creditors	0.2	0.0	0.3	0.3	(0.9)	(0.5)	0.5		(1.3)				
Payments for other capitalised costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Government grants received	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Deposits and investments made	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Deposits and investments liquidated	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Other cash flows from investing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Cashflow before financing	(0.3)	(3.9)	(12.2)	(8.2)	(12.7)	(16.5)	(3.8)		(16.6)				
Cashflow from financing activities	12.0	1.5	1.5	(0.0)	7.0	7.0	(0.0)		6.3				
Public Dividend Capital received	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Public Dividend Capital repaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
PDC Dividends paid	(5.1)	(2.6)	(2.6)	0.0	(2.6)	(2.6)	0.0		(5.2)				
Interest (paid) on bridging loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest (paid) on commercial loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest (paid) on non-commercial loans	(0.7)	(0.3)	(0.3)	0.0	(0.4)	(0.4)	0.0		(1.2)				
Interest (paid) on overdraft and working capital facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0				
Interest element of finance lease rental payments - other	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	0.0		(0.1)				
Interest element of finance lease rental payments - On-balance sheet PFI	(4.1)	(1.0)	(1.1)	(0.0)	(2.1)	(2.1)	(0.0)		(4.1)				
Capital element of finance lease rental payments - other	(0.1)	0.0	0.0	0.0	(0.0)	(0.0)	0.0		(0.1)				
Capital element of finance lease rental payments - On-balance sheet PFI	(0.9)	(0.2)	(0.2)	0.0	(0.5)	(0.5)	0.0		(1.0)				
Interest received on cash and cash equivalents	0.4	0.0	0.0	0.0	0.0	0.1	0.0		0.1				
Net increase/(decrease) in cash	11.7	(2.4)	(10.7)	(8.3)	(5.6)	(9.5)	(3.9)		(10.3)				
Cash at period end	33.4	27.7	23.9	(3.9)	27.7	23.9	(3.9)		23.1				
Cash and Cash equivalents at period end	33.4	27.7	23.9	(3.9)	27.7	23.9	(3.9)		23.1				

High level summary of financial plan of NORTHUMBERLAND

Detailed Financial Summary £m	Previous YE	Current Quarter			YTD			FY
	Actual	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Mental Health								
Mh Cost & volume contract revenue	44.5	9.2	8.6	(0.5)	18.3	16.9	(1.5)	36.7
Mh Block contract revenue	232.2	59.2	59.6	0.4	118.5	119.5	1.1	236.9
Mh Clinical partnership (s31) revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mh Secondary commissioning revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mh Other clinical MS revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private patient revenue	0.1	0.0	0.0	0.0	0.1	0.1	0.0	4.1
Grants and donations in cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating revenues	35.8	6.0	6.2	0.2	12.7	13.2	0.5	20.8
Total operating revenue for EBITDA	312.7	74.4	74.5	0.0	149.6	149.6	0.1	298.5
Grants and donations of PPE and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating revenue	312.7	74.4	74.5	0.0	149.6	149.6	0.1	298.5
Employee Expenses	(232.4)	(57.7)	(58.0)	(0.3)	(116.5)	(116.5)	(0.0)	(229.8)
Drugs expense	(4.4)	(1.2)	(1.2)	(0.0)	(2.3)	(2.3)	0.0	(4.7)
Supplies (clinical & non-clinical)	(32.9)	(7.2)	(8.3)	(1.1)	(14.4)	(16.2)	(1.8)	(28.8)
PFI expenses	(2.2)	(0.5)	(0.6)	(0.0)	(1.1)	(1.1)	(0.0)	(2.2)
Other expenses	(9.4)	(2.4)	(1.6)	0.8	(4.5)	(2.9)	1.6	(11.0)
Total operating expenses within EBITDA	(281.4)	(69.0)	(69.6)	(0.6)	(138.8)	(139.1)	(0.3)	(276.4)
EBITDA	31.3	5.5	4.9	(0.6)	10.8	10.5	(0.3)	22.1
Depreciation and amortisation	(7.4)	(1.9)	(1.8)	0.1	(3.8)	(3.7)	0.1	(7.8)
Impairments & Restructuring	(12.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	(301.2)	(70.9)	(71.4)	(0.5)	(142.6)	(142.8)	(0.2)	(284.2)
Operating Surplus (Deficit)	11.5	3.5	3.1	(0.5)	7.0	6.8	(0.2)	14.3
Profit (loss) on asset disposal	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest	(3.5)	(1.1)	(1.0)	0.0	(2.1)	(2.1)	0.1	(4.2)
Taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC dividend	(4.9)	(1.3)	(1.3)	0.0	(2.6)	(2.6)	0.0	(5.2)
Other non-operating items	(0.9)	(0.3)	(0.3)	(0.0)	(0.6)	(0.7)	(0.0)	(1.2)
Net Surplus / (Deficit)	2.1	0.9	0.4	(0.5)	1.7	1.5	(0.1)	3.7
EBITDA % of Op. revenue	10.0%	7.4%	6.6%	-0.8%	7.2%	7.0%	-0.2%	7.4%
EBITDA	31.3	5.5	4.9	(0.6)	10.8	10.5	(0.3)	22.1
Change in Current Receivables	3.5	(4.7)	(5.3)	(0.5)	(3.1)	(1.0)	2.1	(2.7)
Change in Current Payables	(2.0)	(0.1)	(2.1)	(2.0)	(2.9)	(3.4)	(0.5)	(0.4)
Other changes in WC	(6.1)	3.2	2.6	(0.5)	0.6	(0.5)	(1.1)	2.7
Change in Non Current Provisions	(1.3)	(0.1)	0.0	0.1	(0.1)	0.0	0.1	(0.2)
Other non-cash items	0.0	0.0	(1.1)	(1.1)	(0.0)	(1.3)	(1.3)	0.0
Cashflow from operating activities	25.4	3.8	(0.9)	(4.7)	5.3	4.3	(1.0)	21.4
Capital expenditure (accruals basis)	0.0	(12.7)	(12.6)	0.2	(22.8)	(22.0)	0.8	(46.8)
Asset sale proceeds	2.1	5.1	1.0	(4.1)	5.7	1.7	(4.1)	5.7
other Investing cash flows	(27.8)	0.0	0.3	0.3	(0.9)	(0.5)	0.5	3.1
Cashflow before financing	(0.3)	(3.9)	(12.2)	(8.2)	(12.7)	(16.5)	(3.8)	(16.6)
Net interest	(4.8)	(1.3)	(1.3)	(0.0)	(2.5)	(2.5)	(0.0)	(5.4)
PDC dividends (paid)	(5.1)	(2.6)	(2.6)	0.0	(2.6)	(2.6)	0.0	(5.2)
Movement in loans	21.2	5.6	5.6	0.0	12.6	12.6	0.0	17.8
PDC received/(repaid)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Donations received in cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
other financing cashflows	0.7	(0.3)	(0.3)	(0.0)	(0.5)	(0.5)	(0.0)	(1.0)
Net cash inflow (outflow)	11.7	(2.4)	(10.7)	(8.3)	(5.6)	(9.5)	(3.9)	(10.3)
Cash at period end	33.4	27.7	23.9	(3.9)	27.7	23.9	(3.9)	23.1
Cash and Cash equivalents at period end	33.4	27.7	23.9	(3.9)	27.7	23.9	(3.9)	23.1
Non Safe Harbour Investments at period end	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

INCOME STATEMENT	2010/11 £'000	2011/12 £'000	2012/13 £'000
Operating Income from continuing operations	313,226	307,973	316,442
Operating Expenses of continuing operations	(300,810)	(310,842)	(304,991)
OPERATING SURPLUS / (DEFICIT)	12,416	(2,869)	11,451
FINANCE COSTS			
Finance income	204	390	355
Finance expense - financial liabilities	(4,431)	(4,734)	(4,758)
Finance expense - unwinding of discount on provisions	(115)	(115)	(108)
PDC Dividends payable	(5,126)	(5,057)	(4,949)
NET FINANCE COSTS	(9,468)	(9,516)	(9,460)
Share of Profit / (Loss) of Associates/Joint Ventures accounted for using the equity method	0	181	127
Gain/(loss) from transfer by absorption	0	0	0
Movement in fair value of investment property and other investments	0	0	0
Corporation tax expense	0	0	0
Surplus/(Deficit) from continuing operations	2,948	(12,204)	2,118
Surplus/(deficit) of discontinued operations and the gain/(loss) on disposal of discontinued operations	0	0	0
SURPLUS/(DEFICIT) FOR THE YEAR	2,948	(12,204)	2,118
Other comprehensive income			
Impairments	(786)	(1,203)	(3,324)
Revaluations	5,480	1,862	11,568
Transfer to retained earnings on disposal of assets	0	0	0
Movements arising from classifying non current assets as Assets Held for Sale	0	0	0
Other recognised gains and losses	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes	0	0	0
Other reserve movements	(2)	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD	7,640	(11,545)	10,362
Prior period adjustments	0	0	0
Merger adjustments	0	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	7,640	(11,545)	10,362

BALANCE SHEET	2010/11 £'000	2011/12 £'000	2012/13 £'000
Non-current assets			
Intangible assets	0	0	0
Property, plant and equipment	237,427	229,652	233,795
Investment Property	0	0	0
Investments in associates (and joined controlled operations)	0	181	229
Other Investments	0	0	0
Trade and other receivables	116	1,116	112
Other financial assets	0	0	0
Other assets	0	0	0
Total non-current assets	237,543	230,949	234,136
Current assets			
Inventories	504	449	423
Trade and other receivables	7,817	15,381	11,640
Other financial assets	0	0	0
Non-current assets for sale and assets in disposal groups	7,662	3,632	14,422
Cash and cash equivalents	27,310	21,811	33,373
Total current assets	43,293	41,273	59,858
Current liabilities			
Trade and other payables	(22,748)	(27,902)	(24,252)
Borrowings	(4,031)	(3,720)	(3,822)
Other financial liabilities	0	0	0
Provisions	(2,415)	(1,317)	(3,286)
Other liabilities	(4,082)	(6,976)	(1,009)
Liabilities in disposal groups	0	0	0
Total current liabilities	(33,276)	(39,915)	(32,369)
Total assets less current liabilities	247,560	232,307	261,625
Non-current liabilities			
Trade and other payables	0	0	0
Borrowings	(67,062)	(63,342)	(83,494)
Other financial liabilities	0	0	0
Provisions	(5,522)	(5,542)	(4,248)
Other liabilities	(271)	(263)	(361)
Total non-current liabilities	(72,855)	(69,147)	(88,103)
Total assets employed	174,705	163,160	173,522
Financed by			
Minority Interest	0	0	0
Public Dividend Capital	201,394	201,394	201,394
Revaluation reserve	20,889	16,005	22,009
Available for sale investments reserve	0	0	0
Other reserves	0	0	0
Merger reserve	0	0	0
Income and expenditure reserve	(47,578)	(54,239)	(49,881)
Total taxpayers' and others' equity	174,705	163,160	173,522

CASHFLOW STATEMENT	2010/11 £'000	2011/12 £'000	2012/13 £'000
Operating surplus/(deficit) from continuing operations	12,416	(2,869)	11,451
Operating surplus/(deficit) of discontinued operations	0	0	0
Operating surplus/(deficit)	12,416	(2,869)	11,451
Depreciation and amortisation	7,545	7,462	7,387
Impairments	7,157	22,394	16,163
Reversals of impairments	(4,995)	(1,829)	(3,747)
EBITDA	22,123	25,158	31,254
(Gain)/Loss on disposal	0	221	59
Non-cash donations/grants credited to income	0	0	0
Interest accrued and not paid	0	(6)	(47)
Dividends accrued and not paid or received	0	(104)	149
Amortisation of government grants	0	0	0
Amortisation of PFI credit	0	0	0
(Increase)/Decrease in Trade and Other Receivables	3,703	(8,564)	4,163
(Increase)/Decrease in Other Assets	0	0	0
(Increase)/Decrease in Inventories	(128)	55	26
Increase/(Decrease) in Trade and Other Payables	2,614	3,364	(3,899)
Increase/(Decrease) in Other Liabilities	1,049	2,894	(5,869)
Increase/(Decrease) in Provisions	1,272	(1,193)	567
Tax (paid) / received	0	0	0
Movements in operating cash flow of discontinued operations	0	0	0
Movements in operating cash flow in respect of Transforming Community Services transaction	0	0	0
Other movements in operating cash flows	(25)	1,986	128
NET CASH GENERATED FROM/(USED IN) OPERATIONS	30,608	23,811	26,531
Cash flows from investing activities			
Interest received	209	390	354
Purchase of financial assets	0	0	0
Sales of financial assets	0	0	0
Purchase of intangible assets	0	0	0
Sales of intangible assets	0	0	0
Purchase of Property, Plant and Equipment	(25,544)	(19,898)	(27,809)
Sales of Property, Plant and Equipment	287	3,907	2,089
Cash flows attributable to investing activities of discontinued operations	0	0	0
Cash from acquisitions of business units and subsidiaries	0	0	0
Cash from (disposals) of business units and subsidiaries	0	0	0
Net cash generated from/(used in) investing activities	(25,048)	(15,601)	(25,366)
Cash flows from financing activities			
Public dividend capital received	0	0	0
Public dividend capital repaid	0	0	0
Loans received from the Foundation Trust Financing Facility	0	0	24,000
Loans received from the Department of Health	14,000	0	0
Other loans received	0	0	0
Loans repaid to the Foundation Trust Financing Facility	0	0	0
Loans repaid to the Department of Health	(2,183)	(2,766)	(2,766)
Other loans repaid	0	0	0
Capital element of finance lease rental payments	(60)	(60)	(60)
Other capital receipts	0	0	0
Capital element of Private Finance Initiative Obligations	(1,018)	(1,205)	(921)
Interest paid	(321)	(641)	(651)
Interest element of finance lease	(52)	(50)	(48)
Interest element of Private Finance Initiative obligations	(3,736)	(4,034)	(4,059)
PDC Dividend paid	(4,972)	(4,953)	(5,098)
Cash flows from (used in) other financing activities	0	0	0
Net cash generated from/(used in) financing activities	1,658	(13,709)	10,397
Increase/(decrease) in cash and cash equivalents	7,218	(5,499)	11,562
Cash and Cash equivalents at 1 April	20,092	27,310	21,811
Cash and Cash equivalents at start of period for new FTs	0	0	0
Cash and Cash equivalents changes due to transfers by absorption	0	0	0
Cash and Cash equivalents at 31 March and 31 March	27,310	21,811	33,373

RATIOS	2010/11 £'000	2011/12 £'000	2012/13 £'000
EBITDA Margin	7.06%	8.17%	9.88%
Surplus Margin	1.63%	2.66%	4.55%
Average Return on Assets		4.84%	8.56%
Current Ratio	130%	103%	185%
Cashflow Ratio (Op Cash / Depreciation + Dividend)	175%	201%	253%
Capex Ratio (Capex / Depreciation)	332%	209%	343%
Gearing (LT Liabs / Net Assets)	42%	42%	51%
Liquidity (Days OpCosts)	12	1	32
Debt Coverage Ratio	1.79	1.84	2.30
Liquidity Rating	4	4	4
Debt Coverage Rating	3	3	3
Overall Rating	4	4	4

Northumberland, Tyne & Wear NHS Foundation Trust

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	
Operating Costs as % of Revenues							
Total Revenues	313,226	307,973	316,442				All FTs
Employee Expenses	231,873	230,054	230,775	74.03%	74.70%	72.93%	62.12%
Redundancy & Early Retirement	4,897	913	817	1.56%	0.30%	0.26%	0.31%
R & D	754	2,351	2,977	0.24%	0.76%	0.94%	0.53%
Pay Costs	237,524	233,318	234,569	75.83%	75.76%	74.13%	62.96%
Services from NHS Bodies	1,411	1,137	645	0.45%	0.37%	0.20%	1.62%
Purchase of healthcare from non NHS bodies	1,004	1,344	1,466	0.32%	0.44%	0.46%	0.78%
Purchase of External Services	2,415	2,481	2,111	0.77%	0.81%	0.67%	2.40%
Supplies and services - clinical (excluding drug costs)	3,533	3,614	3,760	1.13%	1.17%	1.19%	7.55%
Supplies and services - general	5,986	5,216	4,888	1.91%	1.69%	1.54%	1.75%
Inventories consumed (excluding drugs)	-	-	-	0.00%	0.00%	0.00%	0.71%
Drug Costs	5,426	5,107	4,678	1.73%	1.66%	1.48%	7.25%
Supplies and Services	14,945	13,937	13,326	4.77%	4.53%	4.21%	17.26%
Establishment	7,372	5,372	6,445	2.35%	1.74%	2.04%	1.38%
Premises	17,002	14,467	13,068	5.43%	4.70%	4.13%	4.58%
Rentals under operating leases	-	4,669	4,694	0.00%	1.52%	1.48%	0.80%
Loss on Disposal	-	221	59	0.00%	0.07%	0.02%	0.06%
Premises	24,374	24,729	24,266	7.78%	8.03%	7.67%	6.82%
Consultancy costs	518	548	838	0.17%	0.18%	0.26%	0.50%
Professional Fees	789	413	768	0.25%	0.13%	0.24%	0.18%
Clinical negligence	488	557	490	0.16%	0.18%	0.15%	1.27%
Professional Costs	1,795	1,518	2,096	0.57%	0.49%	0.66%	1.95%
Provisions & Write Downs	-891	50	-111	-0.28%	0.02%	-0.04%	0.11%
Other	5,946	4,953	5,184	1.90%	1.61%	1.64%	0.00%
Provisions and Other	5,055	5,003	5,073	1.61%	1.62%	1.60%	0.11%
Total Cash OpCosts	286,108	280,986	281,441	91.34%	91.24%	88.94%	93.74%
EBITDA	27,118	26,987	35,001	8.66%	8.76%	11.06%	6.26%
Total Revenues	313,226	307,973	316,442	100.00%	100.00%	100.00%	100.00%
Depreciation	7,543	7,462	7,387	2.41%	2.42%	2.33%	2.70%
Amortisation	2	-	-	0.00%	0.00%	0.00%	0.14%
Impairments	7,157	22,394	16,163	2.28%	7.27%	5.11%	1.78%
Net Non-Cash	14,702	29,856	23,550	4.69%	9.69%	7.44%	4.62%
Operating Surplus / Deficit before Financing Costs	12,416	- 2,869	11,451	3.96%	-0.93%	3.62%	

Planned Quarterly Income Statement for NORTHUMBERLAND

			Actual for	Plan for	Plan for	Plan for
	units	sense	Year ending 31-Mar-13	Year ending 31-Mar-14	Year ending 31-Mar-15	Year ending 31-Mar-16
Operating						
NHS Clinical Revenue						
NHS Ambulance activity Income, Total	£m		0.000	0.000	0.000	0.000
NHS Community activity revenue, Total	£m	(+ve)	0.000	0.000	0.000	0.000
NHS Mental Health activity Income, Total	£m		276.704	273.554	269.511	266.007
NHS Acute Activity Income, Total	£m		0.000	0.000	0.000	0.000
Sub-total NHS Clinical Revenue	£m		276.704	273.554	269.511	266.007
Contract penalties or adjustments not included above	£m	(+ve)	0.000	0.000	0.000	0.000
NHS Clinical Revenue, Total	£m		276.704	273.554	269.511	266.007
Non Mandatory/Non protected revenue						
Private patient revenue	£m	(+ve)	0.148	0.143	0.143	0.143
Other Non Mandatory/Non protected clinical revenue	£m	(+ve)	9.699	3.939	3.939	3.939
Non Mandatory/Non protected revenue, Total	£m		9.847	4.082	4.082	4.082
Other Operating revenue, Total	£m		26.144	20.837	20.838	20.838
Operating Revenue, IFRS, Total	£m		312.695	298.473	294.431	290.927
Operating Expenses						
Raw Materials and Consumables Used						
Raw Materials and Consumables Used, Total	£m		(37.338)	(33.464)	(32.023)	(28.789)
Ambulance trusts vehicle operating expenses, Total	£m		0.000	0.000	0.000	0.000
Cost of Secondary Commissioning of mandatory services	£m	(-ve)	(1.466)	(1.559)	(1.559)	(1.559)
Employee Expenses [was "Pay"]	£m	(-ve)	(222.135)	(222.644)	(218.226)	(216.000)
Employee expenses, permanent staff	£m	(-ve)	(10.273)	(7.143)	(7.130)	(7.126)
Employee expenses, agency & contract staff	£m	(-ve)	(232.407)	(229.787)	(225.356)	(223.126)
Research & Development expense	£m	(-ve)	(1.127)	(0.299)	(0.299)	(0.299)
Education and training expense	£m	(-ve)	(1.229)	(1.022)	(1.022)	(1.022)
Consultancy expense	£m	(-ve)	(0.837)	(0.472)	(0.497)	(0.497)
Misc. other Operating expenses	£m	(-ve)	(4.886)	(7.633)	(7.355)	(8.190)
(Increase)/decrease in Provisions, Current and Non-Current, net	£m	(+/-ve)	0.000	0.000	0.000	0.000
(Increase)/decrease in Impairment of receivables, Current and Non-Current, net	£m	(+/-ve)	0.136	0.000	0.000	0.000
PFI operating expenses						
PFI unitary payment	£m	(-ve)	(2.229)	(2.155)	(2.320)	(1.776)
IFRIC12 revenue/(expense) adjustment	£m	(+/-ve)	0.000	0.000	0.000	0.000
Other PFI expenses	£m	(-ve)	0.000	0.000	0.000	0.000
PFI operating expenses, total	£m	(-ve)	(2.229)	(2.155)	(2.320)	(1.776)
Operating Expenses within EBITDA, Total	£m		(281.383)	(276.390)	(270.431)	(265.258)
Depreciation and Amortisation						
Depreciation and Amortisation - purchased/constructed assets	£m	(-ve)	(6.135)	(6.526)	(7.809)	(8.966)
Depreciation and Amortisation - donated/granted assets	£m	(-ve)	0.000	0.000	0.000	0.000
Depreciation and Amortisation - owned assets	£m		(6.135)	(6.526)	(7.809)	(8.966)
Depreciation and Amortisation - assets held under finance leases	£m	(-ve)	(0.028)	(0.027)	(0.027)	(0.027)
Depreciation and Amortisation - PFI assets	£m	(-ve)	(1.226)	(1.223)	(1.223)	(1.223)
Depreciation and Amortisation, Total	£m		(7.389)	(7.776)	(9.059)	(10.216)
Impairment (Losses) / Reversals net - purchased/constructed assets	£m	(-ve)	(12.416)	0.000	0.000	0.000
Impairment (Losses) / Reversals net - donated/granted assets	£m	(-ve)	0.000	0.000	0.000	0.000
Impairment (Losses) / Reversals net (on non-PFI assets)	£m	(-/+ve)	0.000	0.000	0.000	0.000
Impairment (Losses)/ Reversals net on PFI assets	£m	(-/+ve)	0.000	0.000	0.000	0.000
Restructuring Costs	£m	(-ve)	0.000	0.000	0.000	0.000
Operating Expenses excluded from EBITDA, Total	£m	(-ve)	(19.805)	(7.776)	(9.059)	(10.216)
Operating Expenses IFRS, Total	£m		(301.188)	(284.166)	(279.490)	(275.474)
Surplus (Deficit) from Operations	£m		11.506	14.307	14.941	15.453
Non Operating						
Non-Operating income						
Finance Income [for non-financial activities], Total	£m		0.356	0.055	0.055	0.055
Other Non-Operating income, Total	£m		(0.059)	0.000	0.000	0.000
Non-Operating income, Total	£m		0.297	0.055	0.055	0.055
Non-Operating expenses						
Finance Costs [for non-financial activities], Total	£m		(8.876)	(9.582)	(10.112)	(10.346)
Other Non-Operating expenses, Total	£m		(0.809)	(1.080)	(1.184)	(1.462)
Non-Operating expenses, Total	£m		(9.685)	(10.662)	(11.296)	(11.808)
Surplus (Deficit) before Tax	£m		2.118	3.700	3.700	3.700
Income Tax (expense)/ refund	£m	(-/+ve)	0.000	0.000	0.000	0.000
Surplus (Deficit) After Tax	£m		2.118	3.700	3.700	3.700
Profit/(loss) from discontinued Operations, Net of Tax	£m	(+/-ve)	0.000	0.000	0.000	0.000
Surplus (Deficit) After Tax from Continuing Operations	£m		2.118	3.700	3.700	3.700
Elements of Comprehensive Income						
Share of comprehensive income from associates and joint ventures	£m	(+/-ve)	0.000	0.000	0.000	0.000
Revaluation gains/(losses) of donated/granted assets straight to reval reserve	£m	(+/-ve)	0.000	0.000	0.000	0.000
Revaluation gains/(losses) of purchased/constructed assets straight to reval reserve	£m	(+/-ve)	12.157	0.000	0.000	0.000
Revaluation gains/(losses) straight to revaluation reserve	£m		12.157	0.000	0.000	0.000
(Impairments)/reversals of purchased/constructed assets straight to reval reserve	£m	(+/-ve)	(3.324)	0.000	0.000	0.000
(Impairments)/reversals of donated/granted assets straight to reval reserve	£m	(+/-ve)	0.000	0.000	0.000	0.000
Impairments/(reversals) straight to revaluation reserve	£m		(3.324)	0.000	0.000	0.000
Fair Value gains/(losses) straight to reserves	£m	(+/-ve)	0.000	0.000	0.000	0.000
Additions/(reduction) in "Other reserves"	£m	(+/-ve)	0.000	0.000	0.000	0.000
Other recognised gains and losses	£m	(+/-ve)	0.000	0.000	0.000	0.000
Actuarial gains/(losses) on defined benefit pension schemes	£m	(+/-ve)	0.000	0.000	0.000	0.000
Elements of Comprehensive Income, Total	£m		8.833	0.000	0.000	0.000
Total Comprehensive Surplus/(Deficit)	£m		10.951	3.700	3.700	3.700
Memorandum lines						
Total Revenue	£m		312.992	298.528	294.486	290.982
Total Expenses	£m		(310.873)	(294.828)	(290.786)	(287.282)
Total Operating Revenue for EBITDA	£m		312.695	298.473	294.431	290.927
Total Operating Expenses for EBITDA	£m		(281.383)	(276.390)	(270.431)	(265.258)
EBITDA (for FRR calculation)	£m		31.311	22.083	24.000	25.669
Operating Surplus (Deficit)	£m		11.506	14.307	14.941	15.453
Surplus (Deficit) After Tax (for FRR calculation)	£m		2.118	3.700	3.700	3.700

Northumberland, Tyne & Wear

Planned Quarterly Statement of Position for NORTHUMBERLAND

	units	sense	Actual at 31-Mar-13	Plan for 31-Mar-14	Plan for 31-Mar-15	Plan for 31-Mar-16
Assets						
Assets, Non-Current						
Intangible Assets, Net, Donated or granted	£m	(+ve)	0.000	0.000		
Intangible Assets, Net, Purchased or created	£m	(+ve)	0.000			
Intangible Assets, Net			0.000	0.000	0.000	0.000
Property, Plant and Equipment, Net, Donated or granted	£m	(+ve)	0.744	0.724	0.704	0.684
Property, Plant and Equipment, Net, Purchased or constructed	£m	(+ve)	186.390	224.443	243.471	246.485
Property, Plant and Equipment, Net			187.134	225.167	244.175	247.169
On balance sheet PFI assets, Non-Current, Total	£m		46.662	45.439	44.216	42.993
Investment Property	£m	(+ve)		0.000		
Investments, Non-Current, Total	£m		0.229	0.229	0.229	0.229
Deferred Tax Assets	£m	(+ve)		0.000		
Trade and Other Receivables, Net, Non-Current, Total			0.000	0.000	0.000	0.000
Prepayments, Non-Current						
Prepayments, Non-current, PFI related (eg lifecycle assets)	£m	(+ve)	0.000	0.000		
Prepayments, Non-current, non-PFI related	£m	(+ve)	0.112	0.106	0.098	0.090
Prepayments, Non-Current	£m	(+ve)	0.112	0.106	0.098	0.090
Other Financial Assets, Non-Current, Total			0.000	0.000	0.000	0.000
Off balance sheet PFI assets, Non-Current, Total			0.000	0.000	0.000	0.000
Other Assets, Non-Current, Total			0.000	4.000	0.000	0.000
Assets, Non-Current, Total			234.137	274.941	288.718	290.481
Assets, Current						
Inventories	£m	(+ve)	0.423	0.450	0.450	0.450
Current Tax Receivables	£m	(+ve)		0.000		
Trade and Other Receivables, Net, Current, Total			10.189	12.900	12.900	8.900
Other Financial Assets, Current, Total			0.115	0.100	0.100	0.100
Prepayments, Current, Total	£m		1.336	1.100	1.100	1.100
Cash and Cash Equivalents, Total	£m		33.373	23.050	23.331	26.058
Other Assets, Current, Total			14.422	0.000	0.000	0.000
Assets, Current, Total	£m		59.858	37.600	37.881	36.608
ASSETS, TOTAL	£m		293.995	312.541	326.599	327.089
Liabilities						
Liabilities, Current						
Interest-Bearing Borrowings, Current, Total	£m		(2.766)	(4.470)	(4.905)	(5.640)
Non-Interest-Bearing Borrowings, Current	£m	(-ve)		0.000		
Deferred Income, Current	£m	(-ve)	(1.009)	(1.200)	(1.200)	(1.200)
Deferred Grant Income, Current	£m	(-ve)		0.000		
Provisions, Current	£m	(-ve)	(3.285)	(1.441)	(1.441)	(1.441)
Post-Employment Benefit Obligation, Current	£m	(-ve)		0.000		
Current Tax Payables	£m	(-ve)	(2.167)	(2.357)	(2.357)	(2.357)
Trade and Other Payables, Current, Total	£m		(16.586)	(14.700)	(13.300)	(12.000)
Other Financial Liabilities, Current, Total	£m		(6.555)	(8.222)	(8.750)	(7.952)
Other Liabilities, Current, Total	£m		0.000	0.000	0.000	0.000
Liabilities, Current, Total	£m		(32.368)	(32.390)	(31.953)	(30.590)
NET CURRENT ASSETS (LIABILITIES)	£m		27.490	5.210	5.928	6.018
Liabilities, Non-Current						
Interest-Bearing Borrowings, Non-Current, Total	£m		(39.219)	(55.349)	(67.944)	(67.104)
Non-Interest-Bearing Borrowings, Non-Current	£m	(-ve)		0.000		
Deferred Income, Non-Current	£m	(-ve)	(0.361)	(0.265)	(0.265)	(0.265)
Deferred Grant Income, Non-Current	£m	(-ve)		0.000		
Provisions, Non-Current	£m	(-ve)	(4.248)	(4.018)	(3.783)	(3.543)
Post-Employment Benefit Obligation, Non-Current	£m	(-ve)		0.000		
Deferred Tax liabilities	£m	(-ve)		0.000		
Trade and Other Payables, Non-Current, Total	£m		0.000	0.000	0.000	0.000
Other Financial Liabilities, Non-Current, Total	£m		(44.275)	(43.237)	(41.672)	(40.905)
Other Liabilities, Non-Current, Total	£m		0.000	0.000	0.000	0.000
Liabilities, Non-Current, Total	£m		(88.103)	(102.869)	(113.664)	(111.817)
TOTAL ASSETS EMPLOYED	£m		173.524	177.282	180.982	184.682
Taxpayers' and Others' Equity						
Non Controlling interest (was Minority Interest)	£m	(+ve)		0.000		
Taxpayers Equity						
Public dividend capital	£m	(+ve)	201.394	201.394	201.394	201.394
Retained Earnings (Accumulated Losses)	£m	(+ve)	(49.881)	(46.181)	(42.481)	(38.781)
Charitable Funds	£m	(+ve)		0.000		
Other Reserves, Total	£m		22.011	22.069	22.069	22.069
TAXPAYERS EQUITY, TOTAL	£m		173.524	177.282	180.982	184.682
TOTAL ASSETS EMPLOYED	£m		173.524	177.282	180.982	184.682
Memorandum lines						
Working Capital Facility						
Committed Working capital facility in place	£m	(+ve)	22.500	22.500	22.500	22.500

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Planned Quarterly Cash Flow Statement for NORTHUMBERLAND

	units	sense	Actual for Year ending 31-Mar-13	Plan for Year ending 31-Mar-14	Plan for Year ending 31-Mar-15	Plan for Year ending 31-Mar-16
Surplus/(deficit) after tax	£m		2.118	3.700	3.700	3.700
non-cash flows in operating surplus/(deficit)						
Tax expense	£m	(+ve)		0.000	0.000	0.000
Finance income/charges	£m	(+ve)	4.513	5.458	5.778	6.213
Share of profit/(loss) from equity accounted investments net of cash distributions received	£m	(+ve)		0.000		
Donations & Grants received of PPE & intangible assets (not cash)	£m	(+ve)		0.000		
Other operating non-cash movements	£m	(+ve)		0.000		
Depreciation and amortisation, total	£m	(+ve)	7.389	7.776	9.059	10.216
Impairment losses/(reversals)	£m	(+ve)	12.416	0.000	0.000	0.000
Unrealised (gains)/losses on foreign currency exchange	£m	(+ve)	0.000	0.000		
Gain/(loss) on disposal of property plant and equipment	£m	(+ve)	0.059	0.000		
Gain/(loss) on disposal of intangible assets	£m	(+ve)	0.000	0.000		
Share of profit/(loss) loss from investments	£m	(+ve)	0.000	0.000		
PDC dividend expense	£m	(+ve)	4.949	5.154	5.463	5.540
Other increases/(decreases) to reconcile to profit/(loss) from operations	£m	(+/-ve)	(0.128)	0.000		
Non-cash flows in operating surplus/(deficit), Total			29.198	18.388	20.300	21.969
Operating Cash flows before movements in working capital			31.316	22.088	24.000	25.669
Increase/(Decrease) in working capital						
(Increase)/decrease in inventories	£m	(increase -ve)	0.026	(0.027)		
(Increase)/decrease in tax receivable	£m	(increase -ve)	0.000	0.000		
(Increase)/decrease in NHS Trade Receivables	£m	(increase -ve)	2.810	0.788		
(Increase)/decrease in Non NHS Trade Receivables	£m	(increase -ve)	0.753	(0.422)		
(Increase)/decrease in other related party receivables	£m	(increase -ve)	1.054	(0.454)		
(Increase)/decrease in other receivables	£m	(increase -ve)	(1.152)	(2.623)		4.000
(Increase)/decrease in accrued income	£m	(increase -ve)	0.070	0.015		
(Increase)/decrease in other financial assets	£m	(increase -ve)	0.000	0.000		
(Increase)/decrease in prepayments	£m	(increase -ve)	(0.236)	0.243	0.008	0.008
(Increase)/decrease in Other assets (non charitable assets)	£m	(increase -ve)	0.000	2.601	0.000	(4.000)
Increase/(decrease) in Deferred Income (excl. Govt Grants.)	£m	(increase +ve)	(5.869)	0.095		
Increase/(decrease) in Deferred Income (Govt. Grants)	£m	(increase +ve)	0.000	0.000		
Increase/(decrease) in Current provisions	£m	(increase +ve)	1.860	(1.970)	(0.120)	(0.114)
Increase/(decrease) in post-employment benefit obligations	£m	(increase +ve)	0.000	0.000		
Increase/(decrease) in tax payable	£m	(increase +ve)	(0.055)	0.191		
Increase/(decrease) in Trade Creditors	£m	(increase +ve)	(2.036)	(0.576)		
Increase/(decrease) in Other Creditors	£m	(increase +ve)	0.046	0.000		
Increase/(decrease) in accruals	£m	(increase +ve)	(1.846)	1.719		
Increase/(decrease) in other Financial liabilities	£m	(increase +ve)	(0.056)	0.000		
Increase/(decrease) in Other liabilities (non charitable assets)	£m	(increase +ve)	0.000	0.000		
Increase/(Decrease) in working capital, Total	£m		(4.630)	(0.420)	(0.112)	(0.106)
Increase/(Decrease) in Non-current Provisions			(1.294)	(0.230)	(0.235)	(0.240)
Net cash inflow/(outflow) from operating activities	£m		25.393	21.438	23.653	25.323
Net cash inflow/(outflow) from investing activities						
Property - new land, buildings or dwellings	£m	(-ve)	(24.282)	(42.987)	(22.990)	(9.087)
Property - maintenance expenditure	£m	(-ve)	(1.488)	(1.782)	(2.350)	(1.250)
Plant and equipment - Information Technology	£m	(-ve)	(2.249)	(1.927)	(1.704)	(1.500)
Plant and equipment - Other	£m	(-ve)	(0.040)	(0.150)	(0.150)	(0.150)
Property, plant and equipment - other expenditure	£m	(-ve)	0.000	0.000	0.000	0.000
Proceeds on disposal of property, plant and equipment	£m	(+ve)	2.089	10.139	4.350	4.000
Purchase of investment property	£m	(-ve)	0.000	0.000	0.000	0.000
Proceeds on disposal of investment property	£m	(+ve)	0.000	0.000	0.000	0.000
Purchase of intangible assets	£m	(-ve)	0.000	0.000	0.000	0.000
Proceeds on disposal of intangible assets	£m	(+ve)	0.000	0.000	0.000	0.000
Expenditure on capitalised development	£m	(-ve)	0.000	0.000	0.000	0.000
Increase/(decrease) in Capital Creditors	£m	(-ve)	0.249	(1.308)	(1.400)	(1.300)
Payments for other capitalised costs	£m	(-ve)	0.000			
Government grants received	£m	(+ve)		0.000		
Purchase of investments & deposits made	£m	(-ve)		0.000		
Proceeds on disposal of investments & withdrawals	£m	(+ve)		0.000		
Other cash flows from investing activities	£m	(+/-ve)		0.000		
Net cash inflow/(outflow) from investing activities, Total	£m		(25.721)	(38.015)	(24.244)	(9.287)
Net cash inflow/(outflow) before financing	£m		(0.328)	(16.577)	(0.591)	16.036
Net cash inflow/(outflow) from financing activities						
Public Dividend Capital received	£m	(-ve)	0.000	0.000		
Public Dividend Capital repaid	£m	(-ve)	0.000	0.000		
PDC Dividends paid	£m	(-ve)	(5.098)	(5.155)	(5.463)	(5.540)
Interest (paid) on bridging loans	£m	(-ve)	0.000	0.000		
Interest (paid) on commercial loans	£m	(-ve)	0.000	0.000		
Interest (paid) on non-commercial loans	£m	(-ve)	(0.651)	(1.226)	(1.489)	(1.730)
Interest (paid) on bank overdrafts	£m	(-ve)	0.000	0.000		
Interest element of finance lease rental payments -other	£m	(-ve)	(0.048)	(0.050)	(0.044)	(0.042)
Interest element of finance lease rental payments -On-balance sheet PFI	£m	(-ve)	(4.059)	(4.146)	(4.180)	(4.382)
Capital element of finance lease rental payments -other	£m	(-ve)	(0.060)	(0.060)	(0.060)	(0.060)
Capital element of finance lease rental payments -On-balance sheet PFI	£m	(-ve)	(9.920)	(0.996)	(9.977)	(1.505)
Interest received on cash and cash equivalents	£m	(+ve)	0.354	0.056	0.055	0.065
Movement in Other grants/Capital received	£m	(-ve)	0.000	0.000		
Donations received in cash	£m	(-ve)	0.000	0.000		
Drawdown of bridging loans	£m	(+ve)	0.000	0.000		
Repayment of bridging loans	£m	(-ve)	0.000	0.000		
Drawdown of non-commercial loans	£m	(+ve)	24.000	20.600	17.500	4.800
Repayment of non-commercial loans	£m	(-ve)	(2.766)	(2.766)	(4.470)	(4.905)
Drawdown of commercial loans	£m	(+ve)	0.000	0.000		
Repayment of commercial loans	£m	(-ve)	0.000	0.000		
(Increase)/decrease in non-current receivables	£m	(-/+ve)	1.004	0.000		
Increase/(decrease) in non-current payables	£m	(+/-ve)	0.000	0.000		
Other cash flows from financing activities	£m	(+/-ve)	0.276	(0.003)		
Net cash inflow/(outflow) from financing activities, Total	£m		12.032	6.254	0.872	(13.309)
Net increase/(decrease) in cash	£m		11.704	(10.323)	0.281	2.727
Opening cash	£m		21.669	33.373	23.050	23.331
Effect of exchange rates	£m	(+/-ve)	0.000	0.000	0.000	0.000
Closing cash	£m		33.373	23.050	23.331	26.058

Northumberland, Tyne & Wear NHS FT
2014 (and 2015, 2016) Plan for NORTHUMBERLAND

Summary of key assumptions

Staff Numbers (Avg WTEs)		WTEs 2012/13	WTEs 2013/14	WTEs 2014/15	WTEs 2015/16	
New	Clinical	WTEs 4,208.2	3,936.3	-6.46%	3,695.4	-6.12%
New	Non-Clinical	WTEs 1,593.7	1,555.2	-2.42%	1,520.0	-2.26%
New	Permanent Staff	WTEs 5,633.9	5,348.1	-5.07%	5,076.4	-5.08%
New	Temporary, Agency, Locum	WTEs 168.0	143.3	-14.66%	138.9	-3.09%
Ambulance overall revenue change YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	A&E		0.00%	0.00%	0.00%	
New	PTS from PCTs		0.00%	0.00%	0.00%	
New	PTS not from PCTs		0.00%	0.00%	0.00%	
New	Other		0.00%	0.00%	0.00%	
MH Revenue overall revenue change YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	High Cost Low Volume Activity Income		-17.69%	-1.30%	-1.30%	
New	Short term episodic treatment Income		0.00%	0.00%	0.00%	
New	Block Contract 1		-1.32%	-1.56%	-1.30%	
New	Block Contract 2		25.97%	-1.30%	-1.30%	
New	Block Contract 3		-15.12%	-1.30%	-1.30%	
New	Block Contract 4		0.00%	0.00%	0.00%	
New	Clinical Partnerships (incl. S31 agreements)		0.00%	0.00%	0.00%	
New	Clinical income for Secondary Commissioning		0.00%	0.00%	0.00%	
Acute contracted revenue change due to activity change (volume) YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	High Cost Low Volume Activity Income	£m	0.000	0.000	0.000	
New	Short term episodic treatment Income	£m	0.000	0.000	0.000	
New	Block Contract 1	£m	0.000	0.000	0.000	
New	Block Contract 2	£m	0.000	0.000	0.000	
New	Block Contract 3	£m	0.000	0.000	0.000	
New	Block Contract 4	£m	0.000	0.000	0.000	
New	Clinical Partnerships (incl. S31 agreements)	£m	0.000	0.000	0.000	
New	Clinical income for Secondary Commissioning	£m	0.000	0.000	0.000	
Acute Activity		2012/13	2013/14	2014/15	2015/16	
New	Elective	Spells 0	0	0	0	
New	Elective Day Cases (Planned same day)	Spells 0	0	0	0	
New	Non elective	Spells 0	0	0	0	
New	Outpatient	Attendances 0	0	0	0	
New	A&E	Attendances 0	0	0	0	
New	Other NHS	Number 0	0	0	0	
Acute Tariff Overall revenue change YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	Elective		0.00%	0.00%	0.00%	
New	Elective Day Cases (Planned same day)		0.00%	0.00%	0.00%	
New	Non elective		0.00%	0.00%	0.00%	
New	Outpatient		0.00%	0.00%	0.00%	
New	A&E		0.00%	0.00%	0.00%	
New	Other NHS		0.00%	0.00%	0.00%	
Acute contracted activity uplift/downshift (volume) Revenue YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	Elective	£m	0.000	0.000	0.000	
New	Elective Day Cases (Planned same day)	£m	0.000	0.000	0.000	
New	Non elective	£m	0.000	0.000	0.000	
New	Outpatient	£m	0.000	0.000	0.000	
New	A&E	£m	0.000	0.000	0.000	
New	Other NHS	£m	0.000	0.000	0.000	
Acute additional forecast activity (not contracted) YoY			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	Elective	£m	0.000	0.000	0.000	
New	Elective Day Cases (Planned same day)	£m	0.000	0.000	0.000	
New	Non elective	£m	0.000	0.000	0.000	
New	Outpatient	£m	0.000	0.000	0.000	
New	A&E	£m	0.000	0.000	0.000	
New	Other NHS	£m	0.000	0.000	0.000	
Cost increase YoY assumptions			from 2012/13 to 2013/14	from 2013/14 to 2014/15	From 2014/15 to 2015/16	
New	Pay Cost inflation		1.00%	1.00%	1.00%	
New	Drug Price inflation		2.00%	2.00%	2.00%	
New	Clinical supplies expense inflation		2.00%	2.00%	2.00%	
New	Non-clinical supplies expense inflation		2.00%	2.00%	2.00%	
New	Misc Other operating expense inflation		2.00%	2.00%	2.00%	
Impact of CPIs and revenue generation		2013/14	2014/15	2015/16		
New	Revenue Generation (gross)	£m	0.000	0.000	0.000	
New	Expenses of Revenue Generation	£m	0.000	0.000	0.000	
New	CIPs	£m	11.817	10.944	10.854	
Impact of service developments		2013/14	2014/15	2015/16		
New	Revenue	£m	(5.790)	0.000	0.000	
New	Expenses	£m	2.790	(3.000)	(3.000)	
Contingency present in plan assumptions		2013/14	2014/15	2015/16		
New	Pay	£m	0.000	0.000	0.000	
New	Drugs	£m	0.000	0.000	0.000	
New	Clinical Supplies	£m	0.000	0.000	0.000	
New	Non-Clinical Supplies	£m	0.000	0.000	0.000	
New	Misc Other Operating expenses	£m	(1.100)	(2.500)	(3.200)	

Northumberland, Tyne & Wear NHS FT

Continuity of Service Shadow Risk Ratings (pilot indicators for 2013/14)

Debt Service Cover

PDC dividend expense	from SoCI
Interest Expense on Overdrafts and Working Capital Facilities	from SoCI
Interest Expense on Bridging loans	from SoCI
Interest Expense on Non-commercial borrowings	from SoCI
Interest Expense on Commercial borrowings	from SoCI
Interest Expense on Finance leases (non-PFI)	from SoCI
Interest Expense on PFI leases & liabilities	from SoCI
Other Finance Costs	from SoCI
Non-Operating PFI costs (eg contingent rent)	from SoCI
Public Dividend Capital repaid	from SoCF
Repayment of bridging loans	from SoCF
Repayment of non-commercial loans	from SoCF
Repayment of commercial loans	from SoCF
Capital element of finance lease rental payments - On-balance sheet	from SoCF
Capital element of finance lease rental payments - other	from SoCF

Revenue available for Debt Service

Debt Service

Debt Service Cover metric

Debt Service Cover rating

Historic Year to 31-Mar-13	Plan for Year to 30-Jun-13	Plan for Year to 30-Sep-13	Plan for Year to 31-Dec-13	Plan for Year to 31-Mar-14	Plan for Year to 31-Mar-15	Plan for Year to 31-Mar-16
(4.949)	(1.289)	(2.577)	(3.866)	(5.154)	(5.463)	(5.540)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(0.651)	(0.297)	(0.595)	(0.894)	(1.194)	(1.489)	(1.730)
-	-	-	-	-	-	-
(0.048)	(0.011)	(0.023)	(0.034)	(0.046)	(0.044)	(0.042)
(3.120)	(0.766)	(1.531)	(2.297)	(3.062)	(2.996)	(2.920)
(0.108)	(0.032)	(0.063)	(0.094)	(0.126)	(0.120)	(0.114)
(0.937)	(0.270)	(0.540)	(0.810)	(1.080)	(1.184)	(1.462)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2.766)	-	(1.383)	(1.383)	(2.766)	(4.470)	(4.905)
-	-	-	-	-	-	-
(0.920)	(0.248)	(0.497)	(0.746)	(0.996)	(0.977)	(1.505)
(0.060)	(0.030)	(0.030)	(0.060)	(0.060)	(0.060)	(0.060)
-13.559	-2.943	-7.239	-10.184	-14.484	-16.803	-18.278
31.795	5.356	10.845	16.375	22.138	24.055	25.724
-13.559	-2.943	-7.239	-10.184	-14.484	-16.803	-18.278
2.34x	1.82x	1.50x	1.61x	1.53x	1.43x	1.41x
3	3	2	2	2	2	2

key to scoring

Debt Service Cover	50%
4	3
2.5	1.75
2	1.25
1	<1.25

key to scoring

Liquidity	50%
4	3
-2	-7
2	-12
1	<-12

Northumberland, Tyne & Wear NHS FT

Risk Ratings based on Annual Planning return from NORTHUMBERLAND

	Historic Year to 31-Mar-13	Forecast YTD to 30-Jun-13	Forecast YTD to 30-Sep-13	Forecast YTD to 31-Dec-13	Forecast Year to 31-Mar-14	Forecast Year to 31-Mar-15	Forecast Year to 31-Mar-16
Underlying performance							
EBITDA YTD from SoCI	31.311	5.342	10.817	16.334	22.083	24.000	25.669
Operating Income YTD from SoCI	312.695	75.132	149.579	224.026	298.473	294.431	290.927
EBITDA Margin metric	10.0%	7.1%	7.2%	7.3%	7.4%	8.2%	8.8%
EBITDA Margin rating	4	3	3	3	3	3	3
Achievement of plan							
Actual EBITDA 2012-13 from SoCI	31.311						
Planned EBITDA 2012-13 (original plan or assessment figure)	24.028						
EBITDA % of plan achieved metric	130.3%	130.3%	130.3%	130.3%	130.3%	130.3%	130.3%
EBITDA % of plan achieved rating	5	5	5	5	5	5	5
Financial Efficiency							
Net return after financing costs, YTD from SoCI	14.465	0.809	1.690	2.609	3.700	3.700	3.700
Opening Financing	261.937	260.840	260.840	260.840	260.840	281.375	297.068
Closing Financing	260.840	268.370	274.618	278.758	281.375	297.068	299.098
Net return after Financing metric	5.5%	1.2%	1.3%	1.3%	1.4%	1.3%	1.2%
Net return after financing rating	5	3	3	3	3	3	3
Surplus YTD from SoCI	2.118	0.809	1.690	2.609	3.700	3.700	3.700
Gain/(loss) on asset disposals from SoCI	(0.059)	-	-	-	-	-	-
Gain/(loss) from transfer by absorption	-	-	-	-	-	-	-
I & R (Impairments & restructuring) expenses YTD from SoCI	(12.416)	-	-	-	-	-	-
Operating Income YTD from IS	312.695	75.132	149.579	224.026	298.473	294.431	290.927
IS Surplus margin metric	4.7%	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%
IS Surplus margin rating	5	3	3	3	3	3	3
Financial Efficiency rating	5	3	3	3	3	3	3
Liquidity							
Cash for liquidity purposes from SoFP	35.145	34.254	37.682	30.486	27.260	27.978	28.068
Operating expenditure YTD from SoCI	281.383	69.789	138.761	207.692	276.390	270.431	265.258
WCF in terms of Operating Expenditure YTD	28.6	29.0	29.2	29.3	29.3	30.0	30.5
Liquidity days metric (WCF limited to 30 days)	45.0	44.2	48.9	39.6	35.5	37.2	37.6
Liquidity rating	4	4	4	4	4	4	4
Weighted Average Rating	4.50	3.45	3.45	3.45	3.45	3.45	3.45
Overriding rules							
3 Return submitted on time	YES						
3 Return submitted complete and correct	YES						
2 PDC dividend paid in full			FALSE		FALSE	FALSE	FALSE
3 Year 2 OR Year 3 deficit excluding I & R expenses	NO						
2 Year 2 AND Year 3 deficit excluding I & R expenses	NO						
2 Lowest ranked metric a '1'?		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
3 One financial criteria '1' or '2'		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
2 Two financial criteria '1' or '2'		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
1 Two financial criteria at '1'		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
2 Unplanned breach of PBC ratios	NO						
4 Less than 1 year as an Foundation Trust		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Limit due to overriding rules	0	0	0	0	0	0	0
Financial Risk Rating	5	3	3	3	3	3	3

The number above is NOT necessarily the same as your Q4 FY12/13 FRR because it is calculated on the basis of the 13-14 Compliance Framework

key to scoring

Underlying performance		25%		
5	4	3	2	1
11%	9%	5%	1%	<1%

Achievement of plan		10%		
5	4	3	2	1
100%	85%	70%	50%	<50%

Return net after financing		20%		
5	4	3	2	1
3%	2%	-0.5%	-5%	< -5%

IS surplus margin		20%		
5	4	3	2	1
3%	2%	1%	-2%	< -2%

Liquidity metric		25%		
5	4	3	2	1
60	25	15	10	<10

Financial Delivery Plan 2014/15 - 2016/17

	2014/15 Full year £m	2015/16 Full year £m	2016/17 Full year £m	TOTAL Full Year £m
In-Patients (Urgent & Planned)				
Rehab Wards x 3, 1	1.3	0.5		1.8
Dementia Wards x 2	1.6			1.6
Adult Acute Ward x 1, 2, 1	0.8	2.0	1.0	3.8
PICU x 1	0.3			0.3
OPS Functional x 1, 1	0.5	0.8		1.3
In-patients site release	0.6	1.1		1.7
Total In-Patients	5.1	4.4	1.0	10.5
Specialist Care				
Forensics - Move from IP to Community Provision (1 Ward)	0.6			0.6
Review of MH Forensics	0.9			0.9
CYPS Medium Secure InPatient review	0.4			0.4
Review of Affective Disorder Service	0.3			0.3
Secure CYPS In-Reach	0.3			0.3
Neuro Rehab - New IP Tariff		0.6		0.6
New Autism Unit		1.2		1.2
Review of Addictions		0.5		0.5
In-Patient Skill Mix (Band 2's & 4's)		0.5		0.5
Other	0.6	0.2		0.8
Total Specialist Care	3.1	3.0	0.0	6.1
Drugs	0.2	0.2	0.2	0.6
Agency Staffing	0.5			0.5
In-Patient Skill Mix (Band 2's & 4's)		0.7		0.7
Corporate and E&F	1.2			1.2
PFI Scheme savings		0.5	0.5	1.0
Total - Identified Schemes	10.1	8.8	1.7	20.6
Further Expected Delivery				
Specialist Care	0.4	0.5	3.5	4.4
Corporate and E&F		2.4	2.4	4.8
Dementia Wards x 2			1.6	1.6
Community Services - To be agreed?				0.0
Plan Total	10.5	11.7	9.2	31.4
Target (4%)	12.3	10.8	10.7	33.8
Current Shortfall @ Dec13	(1.8)	0.9	(1.5)	(2.4)

Notes:-

a) 14/15 Target = £10.9m + £1.4m expected carry forward from 13/14

Name of Trust	Northumberland, Tyne & Wear NHS Foundation Trust						Based on year ending				31/03/2013
Assumptions											
Total Revenues	£316,442,000										
Surplus/(Deficit) before Interest	£11,451,000					<div></div>		Complies with Prudential Borrowing Code			
Depreciation	£19,803,000										
Revenues available for Debt Service	£31,254,000					<div></div>		Current Required Covenant Ratio			
Dividends Paid	(£5,098,000)					<div></div>		Fails Prudential Borrowing Code			
Total Assets Employed	£173,522,000										
Estimated Prudential Borrowing Limit - Tier 1	£94,119,278										
Estimated Prudential Borrowing Cap - Tier 2	£248,612,810										
Proposed Debt	£119,018,000										
Interest Rate	5.08%										
Debt sustainable under individual covenant tests											
Term of Borrowing	30.4										
Current Risk Rating	3	Estimated PBL Tier 1	Proposed Debt	TIER 1				TIER 2			
Debt to Capital Ratio		54%	<div>69%</div>	<div>54%</div>	<div>108%</div>	<div>118%</div>	<div>297%</div>	<div>143%</div>	<div>177%</div>	<div>219%</div>	<div>297%</div>
Prudential Borrowing Limit		£94,119,278	<div>£119,018,000</div>	<div>£94,119,278</div>	<div>£187,154,614</div>	<div>£204,970,589</div>	<div>£515,568,163</div>	<div>£248,612,810</div>	<div>£307,712,873</div>	<div>£379,785,647</div>	<div>£515,568,606</div>
Annual Interest payable (year 1)		£4,777,610	£6,041,500	£4,777,610	£9,500,198	£10,404,559	£26,170,874	£12,619,892	£15,619,884	£19,278,386	£26,170,896
Annual Principal repayments		£3,100,722	£3,921,000	£3,100,722	£6,165,733	£6,752,673	£16,985,185	£8,190,449	£10,137,476	£12,511,885	£16,985,200
Max Annual Debt Service		£7,878,332	£9,962,500	£7,878,332	£15,665,932	£17,157,232	£43,156,059	£20,810,341	£25,757,360	£31,790,271	£43,156,096
Minimum Dividend Cover (min)	Tier 1 1	<div>5.19</div>	<div>4.95</div>	<div>5.19</div>	<div>4.27</div>	<div>4.09</div>	<div>1.00</div>	<div>3.66</div>	<div>3.07</div>	<div>2.35</div>	<div>1.00</div>
Minimum Interest Cover (min)	3	<div>6.54</div>	<div>5.17</div>	<div>6.54</div>	<div>3.29</div>	<div>3.00</div>	<div>1.19</div>	<div>2.48</div>	<div>2.00</div>	<div>1.62</div>	<div>1.19</div>
Minimum Debt Service Cover (min)	2	<div>3.97</div>	<div>3.14</div>	<div>3.97</div>	<div>2.00</div>	<div>1.82</div>	<div>0.72</div>	<div>1.50</div>	<div>1.21</div>	<div>0.98</div>	<div>0.72</div>
Maximum Debt Service to Revenue (max)	2.5%	<div>2.49%</div>	<div>3.15%</div>	<div>2.50%</div>	<div>5.00%</div>	<div>5.40%</div>	<div>13.60%</div>	<div>6.60%</div>	<div>8.10%</div>	<div>10.00%</div>	<div>13.60%</div>