



**Board Meeting: 28 April 2015**

**Agenda Item no. 6**

**Title: Finance Update Q4 2014/15**

**Presented By: Mike Procter, Executive Director of Finance**

**1. Executive summary**

The paper presents an update on the financial position as at the end of March 2015

**2. Action required**

The Board is asked to:

- review and discuss the analysis provided

**3. Executive Team Discussion and Review**

The financial position is a standing item at the main monthly Executive Team meeting.

**4. Key issues**

- 4.1 A surplus of £183k is currently forecast for the year-end position. This may be subject to some slight adjustments as year-end balances are finalised.
- 4.2 Forecast outturn shows that PHSO will end the year within its four key control totals of Resource DEL, Capital DEL, Cash and Annually Managed Expenditure (AME) (see section 6)
- 4.3 The project to install and implement new finance and purchasing software was completed in early February and the new systems are now fully functional.

## 5. Financial Position at the end of March 2015

- 5.1 The financial position to date suggests a surplus at year-end. The forecast at the end of month 12 (March 2015) is a forecast surplus of £183k. This reflects a very slight overspend on delegated budgets of £3.5k, offset by the retained central reserve of £187k. There are still some year-end adjustments to be made

TABLE 1

	Revised Budget £	Forecast Spend/Income £	Variance £
Pay	20,913,853	21,018,684	(104,831)
Non-Pay	10,739,190	10,629,192	109,998
Income	(876,853)	(868,139)	(8,714)
Budget Exchange	300,000	300,000	0
Sub-total	31,076,190	31,079,737	(3,547)
Retained Reserve	186,816	0	186,816
Forecast Outturn	31,263,006	31,079,737	183,269

### a) Resource Detailed Analysis - TABLE2

All value £	REVISED BUDGET AFTER 6 MONTH REVIEW 2014/15	FORECAST OUTTURN 2014/15	FORECAST VARIANCE
Executive Director Finance and Governance	559,295	719,872	(160,577)
External Affairs and Strategy	1,732,000	1,825,088	(93,038)
Operations and Investigation	15,103,252	15,305,879	(201,763)
Support Services	3,519,306	3,167,895	350,547
<b>PAY SPEND</b>	<b>20,913,853</b>	<b>21,018,684</b>	<b>(104,831)</b>
<b>Non-Pay</b>			
General	356,521	450,206	(93,685)
Executive Director Finance	147,585	122,910	24,675
External Affairs and Strategy	795,700	273,482	522,218
Operations and Investigation	2,331,920	2,278,258	1,397
Support Services	7,107,464	7,504,335	(344,606)

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<b>NON-PAY SPEND</b>	<b>10,739,190</b>	<b>10,629,192</b>	<b>109,998</b>
Income - Clinical Advice recharges	(216,700)	(280,599)	63,899
Income - Secondees	(23,448)	(88,001)	64,553
Income - Rent	(554,855)	(172,752)	(382,103)
Income - Service Charges	(81,850)	(326,787)	244,937
<b>Income</b>	<b>(876,853)</b>	<b>(868,139)</b>	<b>(8,714)</b>
<b>NET CASH RESOURCE</b>	<b>30,776,190</b>	<b>***30,779,737</b>	<b>(3,547)</b>
Budget exchange	300,000		
Residual Reserve	187,000		
Original Budget	**31,263,190		
<b>NON CASH</b>			
Accommodation Charges	(71,000)	(71,000)	
Central Reserve Non-Cash	100,001	0	
Depreciation	1,529,002	1,091,685	
External Audit	41,999	41,999	
<b>Non Cash Total</b>	<b>1,600,002</b>	<b>1,062,684</b>	
<b>PHSO Budget Net Resource</b>	<b>*32,376,192</b>	<b>31,842,421</b>	

## b) Capital - TABLE 3

### Capital Expenditure (forecast outturn)

AUC: Additions (new CMS)	275,869
Furn&Fittings: Additions	31,212
IT Hardware: Additions	99,734
IT Software: Additions	183,612
Office Machinery: Additions	-
Refurb: Additions	87,011
	<u>677,438</u>

The capital budget for 2014/15 is £728,000 - original £700,000 allocation plus maximum carry over from 2013/14 via a budget exchange (4% = £28,000).

## 6. Control Totals

### a) Resource

	£000
Original resource DEL limit	32,863
<b>Less</b> budget exchange	300
Revised limit	32,563
<b>Less</b> Residual reserve	187
Net resource (see TABLE 2*)	32,376

## b) Cash

	£000
Original Budget (see TABLE2**)	31,263
<i>Less</i> budget exchange	300
<i>Less</i> Forecast surplus	183
Forecast net cash resource (see TABLE 2***)	30,780

## c) Capital

Capital DEL limit £728k, forecast outturn £677k (see TABLE3 above)

d) AME - December's Supplementary Estimate adjusted our AME limit to -25k. No change since then.