

<b>Meeting:</b>	<b>Brighton and Sussex University Hospitals NHS Trust Board of Directors</b>
<b>Date:</b>	<b>6th July 2015</b>
<b>Board Sponsor:</b>	<b>Spencer Prosser, Chief Financial Officer</b>
<b>Paper Author:</b>	<b>Bill Stronach, Deputy Chief Financial Officer</b>
<b>Subject:</b>	<b>Finance Report – Month 2</b>

### **Executive summary**

The Trust is reporting a £7.5m year to date deficit at Month 2, which is £1.4m behind the plan submitted to the Trust Development Agency (TDA).

Financial performance to May reflects continuing pressure on pay costs. Pay costs were £1.7m above plan for the two months, reflecting capacity pressures and the increased cost of agency workers. Non-pay costs were also over plan for the period, by £0.7m, reflecting rechargeable items that are fully covered by income and a shortfall on cost improvement plans. Income was £1m ahead of plan.

A financial recovery process is now underway with a series of targeted and prioritised actions to recover the current financial position.

<b>Links to corporate objectives</b>	The report is key indicator of progress against the objective of <b>high productivity</b>
<b>Identified risks and risk management actions</b>	<p>Trust elective activity continues to be behind plan and Trust activity and income expectations are significantly different from Commissioner plans. Review meetings are being held with specialties where activity is significantly behind plan to ensure there is focus on recovering performance.</p> <p>The efficiency programme slippage needs to be recovered and the directorates and the Delivery unit are working with directorates to identify in year mitigation for this slippage.</p> <p>Spending on temporary staffing in the booking hub and on nursing and medical requires tighter control and management by the directorates.</p> <p>A financial recovery process is underway.</p>
<b>Resource implications</b>	As detailed in the report

<b>Report history</b>	Clinical Management Board; Executive Team
-----------------------	---

**Action required by the Board**  
The Board is asked to discuss the report and identified risks and mitigations and note the Month 2 position.