

Meeting:	Brighton and Sussex University Hospitals NHS Trust Board of Directors Meeting
Date:	30th March 2017
Board Sponsor:	Spencer Prosser, Chief Financial Officer
Paper Author:	Bill Stronach, Deputy Chief Financial Officer
Subject:	Financial Planning 2017/19 - Update

Executive Summary

The Trust submitted a financial plan in December 2016 with a planned deficit of £59.7m pending the agreement of a control total between NHSI and Western Sussex.

The control total negotiations are continuing with the Trust finance team supporting both KPMG, who are performing the due diligence and analysis work for Western, and the NHSI FSM team, who are reviewing the analysis on behalf of the “local” NHSI team. The NHSI expectation appears to be that a draft control total will be produced by the end of March with final agreement at the end of April.

The Trust is refining the submitted plan. Cost improvements are being developed with the support of the finance team, FTI, PMO and budget holders. Cost pressures are also being reviewed and subjected to an approvals process. A plan on a page approach is being used. The plan on a page is a summary report showing plans for activity, income, costs, capital, cost improvements, service developments, cost pressures and risks. These plans are to be signed off with clinical directorates on 29th March and with corporate directorates that week.

The aim is to have approved plans in place for April 1st and to develop these further as the new control total becomes clear.

The appendix shows detail from the plan as it currently stands relating to i) summary I&E, ii) cost pressures/investments, and iii) CIP as well as non-recurrent pay savings reported in 2016/17 for context. The submitted plan includes a requirement to deliver £19.0m of CIP, but this is likely to be lower under the Western control total.

The presented cost pressures and investments included in the plan total £27.9m and, while some of these have associated income, contribute to the movement from a deficit plan of £15.6m in 16/17 to £59.7m. Other contributory factors are: failure to secure £14.4m of STF funding, reduction in SIFT income and failure to recurrently deliver CIP.

Action required by the Board	The Board is asked to note the contents of this report and ask any questions of the Chief Financial Officer.
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Links to corporate objectives	The report aims to support the Trust's corporate objective of <i>high productivity</i>
Identified risks and risk management actions	Noted in Executive Summary.
Resource implications	Annual revenue budget £550m
Legal implications	The Trust has a duty to break even taking one year with another.
Report history	None
Appendices	Appendix 1 – Selected Detail