

**Executive Summary for Submission of Paper to the Open Trust Board****Paper No. (13)019****Subject:** Budget Plans 2013/2014 NHST(13)019**Purpose:** To provide an update to the Open Trust Board on the proposed financial and activity plans for 2013/14.**Summary**

The purpose of this paper is to update the Board on the financial plans for 2013/14 noting the assumptions declared, to approve the indicative budgets and note progress to date. The plan is consistent with NHS Commissioning Boards "Everyone Counts" Planning for Patients 2013/14 guidance and the TDA planning guidance provided earlier in the year.

The proposed financial statements for 2013/14 have several key assumptions which are identified below.

**Cost Improvement Programme**

- 1) A National CIP target of 4% which is made up of 2.7% inflation on pay and prices and a 1.3% deflation of income which equates to £11.1m.
- 2) A £1.0m Executive contingency for initiatives.
- 3) Carried forward CIP from 12/13 of £1.5m
- 4) FYE of 12/13 agreed developments £1.4m.

**Activity**

- 1) As a principle activity numbers are based on the calendar period December 2011 to November 2012, adjusted for any known issues.
- 2) Speciality level NEL growth which overall will be a planned increase of c2.5%.
- 3) Speciality level EL growth which overall will be a planned increase of c2%.
- 4) Direct Access growth of c4.0%.

**Quality**

- 1) Full achievement of all CQUINs & Performance indicators.

**TFA/PFI Support**

- 1) £8.7m TFA support has been included which is made up of £2.0m non-recurrent support and £6.7m outstanding schemes.
- 2) £13m national PFI support based on the 4 tests set.

In achieving these assumptions the Trust would be able to deliver the following financial performance

**Expected Financial Performance**

- 1) Reported Surplus of £3.0m (£3.7m after recognising technical adjustments)
- 2) Monitor Financial Risk Rating of 3.5
- 3) Expected Cash balance of £10.6m
- 4) Capital spend of £4.9m

The plan provides for recognised cost pressures such as pay and prices inflation, impacts for the FYE of 12/13 activity plans and executive contingency. Contract negotiations are still ongoing with commissioners and the Trust aims to have the contract signed by the 28th March 2013.

These plans will be the basis of the NHS NDTA submission for 5th April 2013 and the Board will have an opportunity to discuss in detail and approve these plans at the next Board meeting.

**Corporate Objectives met:** Financial Performance, Efficiency and Productivity, Operational Performance, Foundation Trust Transition Plan

**Financial Implications:** Achievement of Financial Performance

**Stakeholders:** Trust Board, Operational Management, Corporate Teams

**Recommendation(s):** For the Trust Board to note and approve the proposed financial plans

**Review Date:** March 2014 Trust Board

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