

TRUST BOARD PUBLIC SESSION - Tuesday 29TH March 2012

2012/13 Budget – Key Messages

Overall Income and Expenditure Position

- Trust to deliver surplus in the year amounting to £157,000
- Required to deliver a Cost Improvement Programme that generates recurrent cost savings amounting to £27.145 million,
- In year savings from the Cost Improvement Programme amount to £13.586 million
- The Trust carries forward into the 2013/14 a recurrent surplus of £15.166 million.

Income

- Total Income for the year - £302.094 million
- Income reduced by comparison with the previous year by £11.296 million
- Income growth in the year - £12.502 million
- Trust to receive non recurrent Transitional Funds - £4.9 million
- Local Commissioners QIPP Programme - £5.288 million.

Expenditure budgets and Reserves

- Pay Budgets set based upon Month 10 level of spending - £198.307 million, increased by further £1.72 million as a consequence of spending level in February
- Non Pay set based upon a 3 month moving average covering the period November to Jan - £93.881 million – increased to £94.706 million as a consequence of increased spending recorded in February.
- Contingency reserves – held to cover lost Income associated with QIPP and Demographic growth amounting to £6.382 million.

Cost Improvement Programme

- New schemes introduced in the 2012/13 year generate recurrent costs savings amounting to £27.145 million, and “in year” £14.256 million
- Slippage on schemes carried forward from the 2011/12 year reduces the total level of savings by £670,000 to £13.586 million.
- £11.1 million of the £14.256 million savings are delivered in the last six months of the 2012/13 financial year.

Monthly Income and Expenditure Plan

- Trust suffers a deficit in the first month of the year amounting to £1.528 million,
- End of Quarter 1 cumulative deficit 31.033 million, by quarter end of quarter 2 cumulative deficit £207,000 and by quarter 3 cumulative deficit £194,000.
- To achieve plan total Pay spend has to decline from £17.052 million in April 2012 to £14.984 million by March 2013.

Risks and Contingencies

- Contingency reserves exist to cover the impact of Local QIPP schemes and Demographic growth upon Income
- No contingency reserves exist to cover the failure to deliver the 2012/13 CIP Programme.
- Delay in the delivery of the 2012/13 CIP programme creates a cost pressure of £2.3 million; delay by three months creates a cost pressure of £6.3 million.

Medium Term Financial Plan

- 2012/13 CIP – Successful delivery of the 2012/13 Plan critical for the Medium Term Financial sustainability of the Trust, achieving this sum enables the Trust to achieve its CIP requirements in the 2013/14 year.