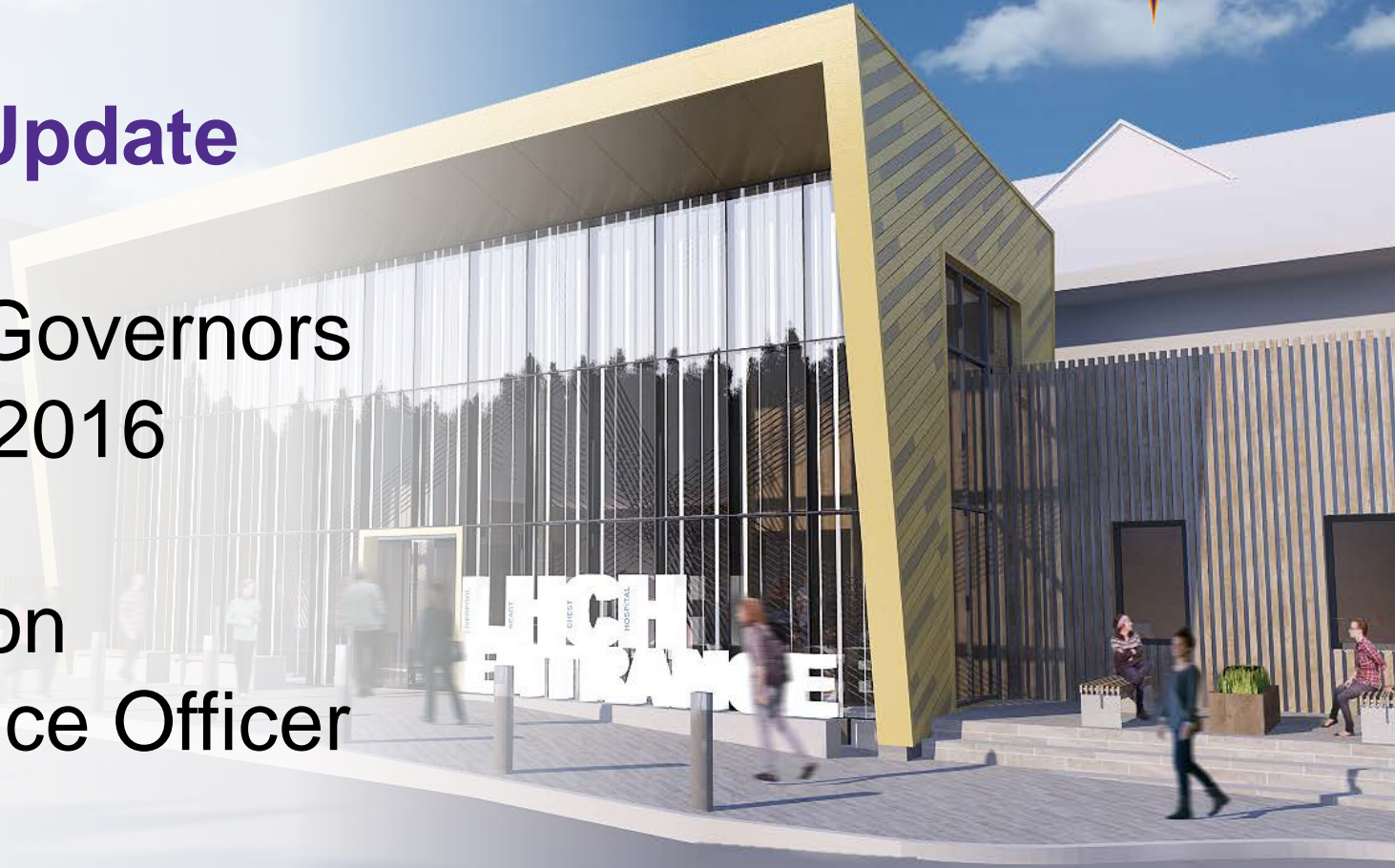


Item 7.2 Financial Update

Council of Governors
December 2016

Claire Wilson
Chief Finance Officer



RAG	Measure	Plan	Actual	Variance	Notes
	Overall Financial Position	Planned deficit of £1.1m	Actual deficit of £1.1m	On Plan	<ul style="list-style-type: none"> Includes non recurrent benefit – slippage on investments, non-recurrent CIP, STF funding.
	Income	£74.2m	£74.4m	(£0.2m) better	<ul style="list-style-type: none"> Income £0.2m above plan to the end of October; £200k under-achievement in month
	Expenditure	Year to date budget of £75.3m	Year to date actual of £75.5m	(£0.2m) worse	<ul style="list-style-type: none"> Includes overspends driven by non-achievement of CIP; Offset by non-recurrent benefit – slippage on investments, non-recurrent CIP, STF funding.
	CIP	Planned delivery of £2.1m	Actual delivery of £1.4m	(£0.7m) worse	<ul style="list-style-type: none"> Shortfall of £0.7m against recurrent schemes. Partially offset with non-recurrent cost reductions; Full delivery of £3.7m plan is critical to the delivery of our financial position

Underlying financial position

- A number of 'one off' financial benefits are supporting our £0.9m deficit financial position.
 - Strategic Transformation Funding
 - funding for Aortic Surgery
 - slippage on investments
 - non-recurrently delivered Cost Improvement Plan (CIP)
 - Contingency
- Without these 'one off' benefits the position would have been a deficit of £6.8m
- This has an impact on where we start next year

Control Total Update

- Control Total Update
 - Providers continue to have a ‘target surplus/deficit’ set centrally (“Control Total”)
 - The target given to us assumes that benefit of HRG4+ will not be needed
 - Control Total originally £9.0m surplus for 2016/17
 - Revised Control Total £8.2m as adjusted for loss if Upper GI services
 - Financial plan submitted reported surplus of £3m

- The overall financial position is in line with our plan for the first 7 months (£1.1m deficit);
- Achievement of the financial plan is necessary in order to secure Strategic & Transformation Funding of £2.2m;
- However;
 - The position includes 'one off' financial benefits, without this we would not have delivered our plan;
 - CIP remains a key risk for this year and future years.
 - Underlying position is a deficit of £6.8m