

Financial Recovery Plan

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Background

- BCCG finished 2013-14 with a £1.4m surplus - but this included:
 - Financial support from neighbouring NHS organisations - £5m
 - Outstanding contract challenges with providers - £6.8m
- Rising demand added pressure to financial position through 2014-15 - in particular from three areas:
 - Increased activity at our local acute hospitals
 - Increased demand in Continuing Healthcare
 - Increased spending on out-of-county mental healthcare beds
- Other drivers of financial deterioration include
 - Restructuring costs
 - Failure to deliver planned savings

As a result we have agreed a revised total for 2014-15 of a £28.8m deficit

Actions we have taken (1)

Recognised we had two core priorities:

1. Stabilising our financial position for the rest of this financial year 2014-15, including improving our financial controls
2. Finalising and setting in process our financial recovery plan for 2015-18 to achieve recurrent financial balance as soon as possible

We are making improvements in our governance, capacity and capability

- Strengthening the accountability of the Executive Team to the Governing Body
 - Made two key executive appointments
 - Introduced financial skills through a new co-opted lay member for Finance
 - Introduced a Finance Committee
 - Improving the information provided to GP members
- Improving the focus of the Executive Team
 - Fewer items with greater scrutiny, improve quality of information, greater accountability for delivery, action tracker

Actions we have taken (2)

- Financial Recovery
 - Improving oversight, assurance, delivery and partnership
- Corporate Reporting
 - Improve quality and regularity of reports, define actions expected
- Financial Control
 - Improving structure, capacity and capability of finance directorate, overhaul of forecasting process, quality assurance of management accounts, new process for budget setting
- Accountability of Directors, Localities and Directorates
 - Creation of a Corporate Reporting and Accountability Framework
 - Formal reviews of performance
- Capacity and Capability
 - Improving support services to underpin financial recovery

Forecast Financial Summary 2014-15

2014-15

£'000

Revenue Resource Limit	
Recurrent	454,670
Non-Recurrent	4,215
Total	458,885
Expenditure	
Acute	254,543
Mental Health	59,494
Community	63,460
Continuing Healthcare	29,527
Primary Care	64,000
Other Programme	5,758
Total Programme Costs	476,782
Running Costs	10,882
Contingency	0
Total Costs	487,664
In-Year Deficit	(28,779)
Deficit percentage	-6.3%

Draft Financial Plan 2015-16

	£'000	£'000
	2014-15	2015-16
Revenue Resource Limit		
Recurrent	454,670	492,951
Non-Recurrent	4,215	
Total	458,885	492,951
Expenditure		
Acute	254,543	252,172
Mental Health	59,494	60,473
Community	63,460	62,604
Continuing Healthcare	29,527	30,985
Primary Care	64,000	66,532
Other Programme	5,758	14,445
Total Programme Costs	476,782	487,211
Running Costs	10,882	9,732
Contingency	0	4,930
Total Costs	487,664	501,873
In-Year Deficit	(28,779)	(8,922)
Deficit percentage	-6.3%	-2.0%

Next steps

- Stabilise the financial position 2014-15
- Maintain continued delivery of NHS Constitution standards (A&E performance, waiting times)
- Submit first draft of our 2015-16 financial recovery plan to NHS England on 31 January
- This is consistent with:
 - our five-year vision for the local health system
 - our commissioning intentions
 - Better Care Fund plans
 - Health and Wellbeing Board strategy
- Review all our commissioning activities to ensure they provide best value for money



Your questions on what this means for Central Bedfordshire residents