

**TRUST BOARD**  
**29<sup>th</sup> April 2010**

<b>TITLE</b>	<b>2010/11 – Revised Budget</b>
<b>EXECUTIVE SUMMARY</b>	The Board approved a provisional budget in March. However the subsequent Heads of Agreement signed with NHS Surrey represents a movement versus the previous projection, and an updated budget has been prepared.
<b>BOARD ASSURANCE (Risk) / IMPLICATIONS</b>	<p>The budget is a key part of the Trust's governance and annual control cycle. Normally the budget is reviewed by the Finance Committee prior to Trust Board but due to the timescales around the late negotiation and signing of Heads of Agreement, this has not been possible with the revised budget. Changes since the previous version are limited and are explained in the paper.</p> <p>The revised budget aligns the Trust's income to the commissioning plans and expense budgets of our main commissioner.</p>
<b>STAKEHOLDER / PATIENT IMPACT AND VIEWS</b>	Managing the financial position with an accurate and realistic budget allows the organisation to concentrate on delivering quality patient care.
<b>EQUALITY AND DIVERSITY ISSUES</b>	None that I am aware of.
<b>LEGAL ISSUES</b>	None that I am aware of.
<b>The Trust Board is asked to:</b>	Approve the revised budget for 2010/11
<b>Submitted by:</b>	John Headley, Director of Finance and Information
<b>Date:</b>	27th April 2010
<b>Decision:</b>	For Approval

**TRUST BOARD**  
**29<sup>th</sup> April 2010****Revised 2010/11 Budget****Introduction**

In March the Board approved a provisional budget for 2010/11, and the Board was advised that as the 2010/11 SLA with NHS Surrey had not been agreed the budget was based on the Trust's proposal for the SLA (£167.5m of income).

**Revised budget**

Heads of Agreement have recently been signed establishing a contract value of £167.2m, however NHS Surrey have made it clear that they will be working with ASPH and other providers on putting in place demand management schemes during the year which may reduce this figure.

We have therefore provided £1.5m against the gross figure and the revised budget is based on a NHS Surrey contract value of £165.7m. This is a material change compared to the budget presented for approval in March and we have hence reworked the budget around the revised income figure.

The £1.8m shortfall on the Surrey contract has been balanced by some additional income from other PCTs, reduced public dividend capital payments and a tighter approach to cost pressures.

Hence Surplus remains at £3.3m, and the CIP's incorporated in the budget remain at £9.0m.

In terms of activity, the Heads of Agreement is based upon a 1.4% increase in non elective work and a -8.5% decrease in non elective admissions back to the 2008/09 base line. Some additional repatriation of activity has been planned within cardiology and ENT.

For budgetary purposes I believe that the level of reduction in non elective admissions sought by the PCT is unrealistic. We have hence set our internal activity budget around a -2.5% decrease in non elective work. This in itself will constitute a serious challenge as in April we are continuing to see growth in emergency admissions. Extensive cross system work in the NW Surrey locality and internal review of pathways is underway in order for the Trust to start to bring about the planned decrease.

**Appendices**

The attached appendices show the Income and expenditure statement and balance sheet for 2010/11 compared with unaudited 2009/10 actuals. Business Plan Directorate level activity and expense budget schedules are also included.

**Recommendations**

The Trust Board is asked to approve the revised 2010/11 budget.

## APPENDIX 1

## FINANCIAL PLAN 2010/11

<b>INCOME AND EXPENDITURE ACCOUNT</b>		
	09/10	10/11
	£m	£m
<b>INCOME</b>		
Primary Care Trust income	204.6	199.6
Non NHS: Private Patients	0.7	0.7
Other Patient Care Income	1.4	1.3
<b>Income from patient care activities</b>	<b>206.7</b>	<b>201.6</b>
Education, Training and Research	8.2	8.1
Other Operating Revenue	9.2	9.5
<b>Other Income</b>	<b>17.4</b>	<b>17.6</b>
<b>TOTAL INCOME</b>	<b>224.1</b>	<b>219.2</b>
<b>Pay</b>	<b>-135.6</b>	<b>-135.6</b>
Supplies and Services - Clinical	-38.2	-37.3
Supplies and Services - General	-14.5	-13.8
Other Non Pay	-14.2	-12.5
Contingency	-1.5	-1.5
<b>Total Non Pay</b>	<b>-66.9</b>	<b>-65.1</b>
<b>TOTAL EXPENDITURE</b>	<b>-202.5</b>	<b>-200.7</b>
<b>EBITDA</b>	<b>21.6</b>	<b>18.5</b>
Depreciation	-9.4	-9.9
Impairments	-4.1	
Finance Costs	-0.5	-0.3
Dividends Payable on Public Dividend Capital (PDC)	-5.5	-5.0
<b>SURPLUS</b>	<b>2.1</b>	<b>3.3</b>

<b>BALANCE SHEET FORECAST</b>		
	09/10	10/11
	£m	£m
<b>Non Current Assets</b>		
Property, Plant and Equipment and Intangibles	147.9	152.2
Debtors > 1 Year	0.9	1.1
<b>Total</b>	<b>148.8</b>	<b>153.3</b>
<b>Current Assets</b>		
Inventories (Stocks)	3.0	3.0
NHS Debtors	10.8	9.3
Non-NHS Trade Debtors	0.8	1.4
Prepayments and Accrued Income	3.0	4.5
Other Debtors	2.2	3.0
Cash in Hand and at Bank	11.7	8.5
<b>Total</b>	<b>31.5</b>	<b>29.7</b>
<b>Current Liabilities</b>		
Loan Repayments due within One Year (inc accrued interest)	-2.5	-2.9
Trade Payables Current	-6.3	-6.1
Non-NHS Trade Creditors - Capital	-0.6	-0.6
Tax and Social Security Costs	-2.8	-2.8
Other Creditors	-1.8	-1.9
Accruals and Deferred Income	-11.5	-11.4
Provisions Current	-0.7	-0.1
<b>Total</b>	<b>-26.2</b>	<b>-25.8</b>
<b>Net Current Assets/ Liabilities</b>	<b>5.3</b>	<b>3.9</b>
Total Assets less Current Liabilities	154.1	157.2
Loan Repayments due after One Year	-4.9	-5.0
Provisions Non-Current	-0.7	-0.4
<b>NET ASSETS</b>	<b>148.5</b>	<b>151.8</b>
Public Dividend Capital (PDC)	85.7	85.7
Income & Expenditure Reserve	1.8	5.1
Revaluation Reserve	59.3	59.3
Donation Reserve	1.7	1.7
<b>CAPITAL AND RESERVES</b>	<b>148.5</b>	<b>151.8</b>

## APPENDIX 2

**BUSINESS PLAN 2010/11**  
**ACTIVITY PLAN: SPELLS**

Directorate	Specialty	NON ELECTIVE SPELLS		ELECTIVE IP SPELLS		DAY CASE SPELLS		TOTAL SPELLS	
		09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN
Medicine	General Medicine	10,347	10,098	260	271	1,254	1,308	11,861	11,677
	Cardiology	1,381	1,377	68	74	527	564	1,976	2,014
	Gastroenterology	132	129	53	54	3,710	3,762	3,895	3,944
	Dermatology	1	1		0		0	1	1
	Rheumatology	4	4		0	2	2	6	6
	Neurology	0	0	1	1	6	6	7	7
	Medical Oncology	1	1	1	1	255	259	257	261
	Geriatric Medicine	527	515	34	34	4	4	565	553
	Respiratory	185	180	5	5	6	6	196	192
	Sub spec activity	103	100	73	74	3,023	3,065	3,199	3,240
	<b>TOTAL</b>	<b>12,681</b>	<b>12,405</b>	<b>495</b>	<b>514</b>	<b>8,787</b>	<b>8,976</b>	<b>21,963</b>	<b>21,895</b>
Surgery	General Surgery	3,886	3,790	1,702	1,726	3,693	3,745	9,281	9,260
	Urology	1,257	1,226	941	954	3,956	4,011	6,154	6,191
	<b>TOTAL</b>	<b>5,143</b>	<b>5,015</b>	<b>2,643</b>	<b>2,680</b>	<b>7,649</b>	<b>7,756</b>	<b>15,435</b>	<b>15,451</b>
Specialist Surgery	ENT	3	3	104	155	757	785	864	943
	Ophthalmology	6	6	20	20	3,807	3,860	3,833	3,886
	Orthodontics	0	0		0		0	0	0
	Oral Surgery / MaxFacs	10	10	16	16	1,278	1,296	1,304	1,322
	<b>TOTAL</b>	<b>19</b>	<b>19</b>	<b>140</b>	<b>191</b>	<b>5,842</b>	<b>5,941</b>	<b>6,001</b>	<b>6,151</b>
Trauma & Orthopaedics	T&O	1,501	1,464	2,294	2,326	2,901	2,942	6,696	6,732
	<b>TOTAL</b>	<b>1,501</b>	<b>1,464</b>	<b>2,294</b>	<b>2,326</b>	<b>2,901</b>	<b>2,942</b>	<b>6,696</b>	<b>6,732</b>
Services	Paediatrics	2,783	2,725	201	204	361	366	3,345	3,295
	<b>TOTAL</b>	<b>2,783</b>	<b>2,725</b>	<b>201</b>	<b>204</b>	<b>361</b>	<b>366</b>	<b>3,345</b>	<b>3,295</b>
Womens Health	Gynaecology	642	627	633	642	1,340	1,359	2,615	2,627
	Midwifery	5,149	5,149					5,149	5,149
	<b>TOTAL</b>	<b>5,791</b>	<b>5,776</b>	<b>633</b>	<b>642</b>	<b>1,340</b>	<b>1,359</b>	<b>7,764</b>	<b>7,776</b>
Anaesthetics	Anaesthetics							0	0
	Pain Management			6	6	1,043	1,058	1,049	1,064
	<b>TOTAL</b>			<b>6</b>	<b>6</b>	<b>1,043</b>	<b>1,058</b>	<b>1,049</b>	<b>1,064</b>
A&E	A&E	3,022	2,946	1	1	216	219	3,239	3,166
	<b>TOTAL</b>	<b>3,022</b>	<b>2,946</b>	<b>1</b>	<b>1</b>	<b>216</b>	<b>219</b>	<b>3,239</b>	<b>3,166</b>
<b>TOTAL</b>		<b>30,940</b>	<b>30,351</b>	<b>6,413</b>	<b>6,564</b>	<b>28,139</b>	<b>28,616</b>	<b>65,492</b>	<b>65,531</b>

**BUSINESS PLAN 2010/11  
ACTIVITY PLAN: OUTPATIENTS**

Directorate	Specialty	FIRST OUTPATIENTS		FOLLOW UP OUTPATIENTS		OPD PROCEDURES		TOTAL OUTPATIENTS	
		09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN	09/10 ACTUAL	10/11 PLAN
Medicine	General Medicine	270	132	590	638	1		861	770
	Gastroenterology	2,072	1,934	3,274	3,177	15	7	5,361	5,117
	Cardiology	4,144	4,125	1,980	1,863	1,270	1,111	7,394	7,099
	Dermatology	4,109	4,114	6,482	6,231	2,513	2,604	13,104	12,950
	Rheumatology	2,181	2,601	6,459	7,485	1,140		9,780	10,085
	Neurology	1,806	1,656	1,104	1,054	11	5	2,921	2,715
	Medical Oncology	533	516	1,386	1,397	6	5	1,925	1,918
	Geriatric Medicine	1,314	1,366	1,994	2,145	19		3,327	3,511
	Respiratory	1,731	2,457	4,600	5,205	1,080		7,411	7,661
	Sub spec activity	11,058	11,196	22,939	23,642	204	15	34,201	34,853
	<b>TOTAL</b>	<b>29,218</b>	<b>30,096</b>	<b>50,808</b>	<b>52,836</b>	<b>6,259</b>	<b>3,747</b>	<b>86,285</b>	<b>86,680</b>
Surgery	General Surgery	10,163	10,469	16,237	13,452	3,659	2,559	30,059	26,481
	Urology	3,504	3,542	9,123	8,136	628	338	13,255	12,015
	<b>TOTAL</b>	<b>13,667</b>	<b>14,011</b>	<b>25,360</b>	<b>21,588</b>	<b>4,287</b>	<b>2,897</b>	<b>43,314</b>	<b>38,496</b>
Specialist Surgery	ENT	3,469	3,881	5,426	5,520	4,329	4,490	13,224	13,891
	Ophthalmology	12,700	12,657	27,655	27,801	1,334	1,438	41,689	41,896
	Orthodontics	304	286	554	533	4,716	4,411	5,574	5,230
	Oral Surgery / MaxFacs	4,284	4,522	4,482	4,728	1,681	1,533	10,447	10,783
	Other subspec	1,724	1,766	3,865	3,864	420	387	6,009	6,017
<b>TOTAL</b>	<b>22,481</b>	<b>23,111</b>	<b>41,982</b>	<b>42,446</b>	<b>12,480</b>	<b>12,259</b>	<b>76,943</b>	<b>77,817</b>	
Trauma & Orthopaedics	T&O	16,604	17,544	31,070	28,485	3,498	69	51,172	46,097
	<b>TOTAL</b>	<b>16,604</b>	<b>17,544</b>	<b>31,070</b>	<b>28,485</b>	<b>3,498</b>	<b>69</b>	<b>51,172</b>	<b>46,097</b>
Services	Paediatrics	6,328	6,387	7,829	7,728	274	7	14,431	14,122
	<b>TOTAL</b>	<b>6,328</b>	<b>6,387</b>	<b>7,829</b>	<b>7,728</b>	<b>274</b>	<b>7</b>	<b>14,431</b>	<b>14,122</b>
Womens Health	Gynaecology	5,353	5,427	6,492	5,602	4,658	4,629	16,503	15,658
	Midwifery	6,446	5,755	24,218	20,554	6,493	7,678	37,157	33,987
	<b>TOTAL</b>	<b>11,799</b>	<b>11,182</b>	<b>30,710</b>	<b>26,157</b>	<b>11,151</b>	<b>12,306</b>	<b>53,660</b>	<b>49,645</b>
Anaesthetics	Anaesthetics				12,384			0	12,384
	Pain Management	1,371	1,397	2,612	2,434	274	175	4,257	4,006
	<b>TOTAL</b>	<b>1,371</b>	<b>1,397</b>	<b>2,612</b>	<b>14,818</b>	<b>274</b>	<b>175</b>	<b>4,257</b>	<b>16,390</b>
A&E	A&E	255	326	31	39			286	365
	<b>TOTAL</b>	<b>255</b>	<b>326</b>	<b>31</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>286</b>	<b>365</b>
<b>TOTAL</b>		<b>101,723</b>	<b>104,055</b>	<b>190,402</b>	<b>194,097</b>	<b>38,223</b>	<b>31,460</b>	<b>330,348</b>	<b>329,612</b>

**BUSINESS PLAN 2010/11**

**A& E ATTENDANCES**

Directorate	Specialty	09/10 ACTUAL	10/11 PLAN
A&E	A&E	93,525	86,653
	<b>TOTAL</b>	<b>93,525</b>	<b>86,653</b>

**BUSINESS PLAN 2010/11  
SUMMARY**

## Appendix 3

Directorate		ACTIVITY PLAN (Spells)			CAPACITY PLAN (Beds)			EXPENDITURE BUDGET PLAN (£000s)			
		09/10 Actual Outturn	10/11 SLA Plan	Variance	09/10 Beds (M12)	10/11 Plan	Variance	09/10 Actual Outturn	10/11 Budget	10/11 CIP	10/11 Budget after CIP
Clinical	Medicine	21,963	21,895	-68	292	279	-13	36,565	34,891	1,134	33,757
	Surgery	15,435	15,451	16				14,743	14,146	468	13,678
	Specialist Surgery	6,001	6,151	150	84	82	-2	7,108	6,867	248	6,619
	T&O	6,696	6,732	36	83	83	0	16,798	16,471	675	15,796
	Children's services	3,345	3,295	-50	59	59	0	11,370	12,164	402	11,762
	Womens Health	7,764	7,776	12	55	55	0	10,982	11,183	214	10,969
	Anaesthetics	1,049	1,064	15			0	20,671	20,899	747	20,152
	Emergency Services	3,239	3,166	-73			0	10,163	9,586	288	9,298
	Therapies							4,251	4,464	181	4,283
	Pathology			0			0	14,035	14,358	469	13,889
	Pharmacy							5,964	6,094	275	5,819
	Imaging & Endocsopy			0			0	9,102	9,134	321	8,813
	<b>TOTAL</b>	<b>65,492</b>	<b>65,531</b>	<b>39</b>	<b>573</b>	<b>558</b>	<b>-15</b>	<b>161,752</b>	<b>160,257</b>	<b>5,422</b>	<b>154,835</b>
Corporate	Chief Exec						4,872	4,987	181	4,806	
	Finance & Info						22,816	23,067	281	22,786	
	Chief Operating Officer (including Facilities)						10,357	12,046	511	11,535	
	Strategy						1,148	1,244	57	1,187	
	Nursing						10,527	9,461	337	9,124	
	Medical Director						236	380	8	372	
	Workforce and OD						4,834	4,734	157	4,577	
	Others						5,380	8,695	2,046	6,649	
	<b>TOTAL</b>						<b>60,170</b>	<b>64,614</b>	<b>3,578</b>	<b>61,036</b>	
<b>TOTAL</b>	<b>65,492</b>	<b>65,531</b>	<b>39</b>	<b>1,146</b>	<b>1,116</b>	<b>-30</b>	<b>221,922</b>	<b>224,871</b>	<b>9,000</b>	<b>215,871</b>	