

### WEEKLY EXECUTIVE BOARD

July 2014

#### The balance plan

##### 1. Purpose

This paper is provided to provide WEB with an update on the progress of each of the balanced plan workstreams developed to deliver cost reductions of £13.45m in 2014/15 against a savings target of £20m in 14/15 and £19m in 2015/16.

##### 2. Background

The Board of Directors approved a financial plan that requires CIP delivery of £20m for 2014/15 and £19m for 2015/16. Following the Strategic Planning Workshop on the 28th April 2014, 10 schemes have been identified to deliver cost reductions of £13.45m in 2014-2015 against a savings target of £20m in 2014/15 and £19m in 2015/16.

##### 3. CIP performance to 30 June 2014

The Trust's financial plan was to deliver CIP savings of £1.8m during quarter 1. The Trust achieved £0.7m of CIP in the period. Underperformance of CIP, along with other adverse financial variances meant the Trust reported a financial deficit of £2.7m against a planned deficit of £0.2m.

##### 4. Balanced plan workstream update

The workstreams were designed to deliver £13.45m. As part of the Quarter 1 forecast review assessment has been made over the deliverability of the £13.45m. The financial forecast for the Trust is forecasting delivering £7.7m of CIP from the balanced plan workstreams, a shortfall of £12.3m.

	£000	£000
Medical workforce	£700	£350
Nursing workforce	£500	£367
Non-clinical workforce	£1,180	£800
Pay reform	£750	£100
Estates	£200	£165
Improved Efficiency/ reduced length of stay	£1,980	£1,230
Non profitable services	£90	£90
Efficiency Programme Board schemes (PMO)	£4,800	£2,502
Critical review of all posts	£1,000	£330
Divisional CIP	£2,250	£1,762
<b>TOTAL</b>	<b>£13,450</b>	<b>£7,696</b>
CIP Requirement 2014/15	£20,000	£20,000
<b>CIP FORECAST SHORTFALL</b>	<b>-£6,550</b>	<b>-£12,304</b>

The Efficiency Programme Board are reviewing alternative areas for financial savings to reduce the shortfall in the financial year.

##### 5. Recommendation

WEB are asked to note the position of the balance plan and financial forecast.