

2016/17 Financial Position and Operational Plan

1. Background

On 15th January 2016 the Trust received a joint letter from Monitor and the TDA outlining the 2016/17 Operational Plan including the Sustainability and Transformation Funding (S&TF). It offered the Trust £13.0m of S&TF provided the Trust accepted a 2016/17 control total of £19.4m, including donation income and donated asset depreciation.

The Trust responded in a letter dated 22nd January 2016 proposing a net surplus of £15.0m before technical items upon receipt of S&T funding of £13.0m, without restriction on capital expenditure.

On the 8th February 2016 the Trust submitted a draft 2016/17 Operational Plan proposing a net surplus of £15.9m before technical items and including S&TF funding of £13.0m.

On the 8th March 2016 Monitor advised the Trust of an adjustment to the Trust's control total which was reflected in the Trust's final 2016/17 Operational Plan submission templates due back on the 18th April 2016. The adjustment removed the impact of donation income and donated asset depreciation expenditure and reduced the Trust's control total from £19.4m to £17.8m. The Trust's Operational Plan submission on the 18th April 2016 proposed a net surplus of £14.2m before technical items.

On 9th June 2016 the Trust received a letter from Bob Alexander, Executive Director of Resources at NHS Improvement, offering a revised control total of £15.897m, which required a formal response by midday on 16th June 2016.

After consideration, the Trust responded on 15th June 2016, accepting the control total recognising it was a significant stretch for the Trust. NHS Improvement has asked that the Trust submits a revised 2016/17 Operational Plan by noon, 29th June 2016.

Table 1 overleaf summarises the recent chronology regarding the Trust's 2016/17 Operational Plan submissions and the control totals communicated by NHS Improvement.

This briefing report is provided for information.

Table 1: Summary of 2016/17 Operational Plans and control totals

	UH Bristol Letter 22 Jan 2016 £m	UH Bristol Draft 2016/17 Operational Plan 8 Feb 2016 £m	UH Bristol Final 2016/17 Operational Plan 18 April 2016 £m	NHS Improvement Letter 9 June 2016 £m
Net surplus before technical items	15.0	15.9	14.2	-
Donation income	2.2	2.2	2.7	-
Donated asset depreciation	(1.5)	(1.5)	(1.5)	-
Net surplus including donations, excluding net impairments	15.7	16.6	15.4	-
Impairments	(6.6)	(6.6)	(7.1)	-
Net surplus after technical items	9.1	10.0	8.3	-
Original NHS Improvement Control Total	19.4	19.4	19.4	19.4
Less donation income	-	-	(3.1)	(3.1)
Add back donated asset depreciation	-	-	1.5	1.5
Adjustment for HEE income reduction	-	-	-	(1.9)
Revised NHS Improvement Control Total	19.4	19.4	17.8	15.9