

**THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST**

**TRUST BOARD – 24<sup>th</sup> November 2011**

**Finance Update**

<b>Executive Lead</b>	Neil Nisbet, Finance Director
<b>Author</b>	As above
<b>Strategic Domain</b>	Financial Strength: We will develop and deliver robust services that generate surpluses to reinvest in quality
<b>Organisational Objective</b>	Maximise the productivity and efficiency of our services
<b>Executive Summary</b>	<p>The Trust is required to deliver a balanced Income and Expenditure position in the year. This paper provides a description of the performance over the period April – October 2011 and provides a forecast outturn for the year.</p> <ul style="list-style-type: none"> <li>• During the period April - October, the Trust had recorded a cumulative deficit of £507,000, which was £214,000 worse than anticipated.</li> <li>• The “ in month” performance within the month of October has improved.</li> <li>• The Trust is presently forecasting a balanced financial position by the year end. Doing so requires the delivery of management actions, in respect of Medical and Nursing Agency spending, the closure of beds in two phases from the middle of November 2011 and improved controls over non pay spending.</li> <li>• Without management action the Trust is predicting an overspend at the year end amounting to £2.3 million. Management actions have been identified which generate cost savings amounting to £2.3 million.</li> <li>• The plan to improve the underlying financial strength of the Trust (as measured by the recurrent Income and Expenditure position) is expected to be delivered, with the Trust taking forward into the 2012/13 financial year a Recurrent surplus amounting to £700,000. The recurrent surplus assumes that the Trust successfully reduces beds and generates recurrent cost savings of £4.2 million and improves controls over the use of medical staffing realising recurrent cost reductions amounting to £2.8 million.</li> </ul>
<b>Recommendations</b>	<p>Trust Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> and <b>APPROVE</b> the actions being taken to achieve a balanced financial position.</li> <li>• <b>NOTE</b> the Month 07 position</li> </ul>

