

The Shrewsbury and Telford Hospital NHS Trust

TRUST BOARD – 28TH April 2011

Budget Update 2011/12

Executive Lead	Neil Nisbet, Finance Director
Author	As above
Corporate Objective	Financial Strength: We will develop and deliver robust services that generate surpluses to reinvest in quality
Goal	
Executive Summary	<p>A proposed budget was presented to the board on the 30th April 2011. This budget was approved by the board subject to the resolution of discussions with the Primary Care Trusts, in respect of the level of strategic change reserve support to be made available to SATH in the 2011/12 year.</p> <p>Since constructing the budget further work has been undertaken to assess:</p> <ul style="list-style-type: none"> - the deliverability of the proposed Cost Improvement programme; and also - The assumptions as they relate to Income and Expenditure. <p>Given uncertainties surrounding the financial position, analysis has been undertaken to consider the outturn of the Trust based upon three scenarios, Most Likely, Best Case and Worst Case. The Best Case scenario produces a surplus for the year of £3.1 million, the Worst Case scenario a deficit of £6.0 million. The Most likely scenario is based upon the forecast outturn deficit of £4.0 million.</p> <p>Integral to the financial stability of the Trust is the existence of a recurrent balanced financial position. Based upon the forecast outturn deficit position of £4.0 million, the Trust records a recurrent deficit of £9.8 million compensated through non recurrent savings in year amounting to £5.8 million. The delivery of the planned reduction in staff numbers reduces the recurrent deficit to £2.8 million.</p> <p>This paper provides a description of this work and in doing so provides a revised budget proposal for the 2011/12 year</p>
Recommendations	The Trust Board is asked to APPROVE the revised budget proposal for the 2011/12 year.