

THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST
TRUST BOARD MEETING – 27th January 2011
Financial Position Summary December 2010 (Month 9)

EXECUTIVE LEAD	David Gilbert, Interim Finance Director
AUTHOR	Tony Brown, Assistant Director Financial Performance Chris Benham, Assistant Director Financial Accounting Jill Price, Assistant Director Financial Management
CORPORATE OBJECTIVE	CO5: Ensuring a clinically and financially sustainable organisation CO6: Achieve NHS Foundation Trust status
GOAL	5.1 Delivering the financial plan
EXECUTIVE SUMMARY	<p>Overall Position</p> <p>After accounting for non recurrent Strategic Change Reserve funding a surplus of £109k was reported to the SHA in the FIMS return for December.</p> <p>The Trust is currently engaged in ongoing discussions with Shropshire County PCT in respect of the forecast outturn position.</p> <p>Divisions have identified ways in which expenditure can be reasonably minimised for the January to March period.</p> <p>Income</p> <p>£0.5m over-recovery in month. Activity above plan for in patients (6.9%) and out patients (7.3%).</p> <p>Income reduction in month of £638k due to the increase in the provision for emergency threshold 70% tariff reduction.</p> <p>Pay</p> <p>Pay cost £16.0m including £0.5m provision for reconfiguration costs.</p> <p>Agency costs (included above) £756k (November £673k). Increase due to more reliance on agency staffing covering escalation requirements and high sickness levels.</p> <p>WLI spend of £269k is £13k below November level.</p> <p>Actual worked wte in December shows a reduction of 9.9wte. Agency is 19.2wte above the November level.</p>

	<p>Non Pay</p> <p>£131k costs relating to capital development previously classed as consultancy costs, have been reclassified as loss on disposal of assets on advice of SHA.</p> <p>Patient transport costs above contract levels, this is offset by income. This increase in utilisation is reflective of activity growth.</p> <p>Balance Sheet Items</p> <p>Debtors decrease in month £2,603k</p> <ul style="list-style-type: none"> • Provision made for write off in month 9 position of Shropshire County PCT (SCPCT) prior year invoices. • SCPCT overperformance £221k received in December. <p>Creditors improved compliance for Non-NHS creditors as these were prioritised for payment in December.</p> <p>Cumulatively compliance is in line with Month 8.</p> <p>Cash balance at the end of Month 9 was above plan largely due to receipt of SCR support in the month.</p> <p>Actions</p> <ul style="list-style-type: none"> • Executive led review of recruitment to new posts in Quarter 4 Divisional plans developed to reduce costs and increase CIP gains for action from January 2011. • Approval to appoint to <u>replacement</u> posts devolved to Divisions. This should speed up recruitment and lessen reliance on premium cover costs for vacancies. • Executive review of recruitment to all <u>new</u> posts. • Divisions implementing plans to reasonably minimise run rates from January. • Engagement in discussions with Shropshire County PCT in respect of forecast outturn position.
<p>RECOMMENDATIONS</p>	<p>The Trust Board is asked to NOTE and APPROVE :</p> <ul style="list-style-type: none"> • The December trading deficit. • The surplus reported to NHS West Midlands after application of non-recurrent Strategic Change Reserve funding. • Ongoing review of forecast position and discussions with Shropshire County PCT in respect of forecast outturn. • Actions being taken to control expenditure in the latter part of the year and manage the cash position.