

Agenda Item	2.3
Paper	Delivery
Meeting Date	20 Jul 2010

FINANCIAL RECOVERY PLAN 2010 / 11

Decision Discussion Information

Report author: John Webster, Chief Operating Officer and Sarah Rollinson, Financial Recovery Programme Director

Report signed off by: John Webster, Chief Operating Officer

Purpose of the report:

This report updates the Board on progress with the delivery of £20.8 million of savings as detailed in the Financial Recovery Plan and builds on information contained in the fortnightly briefing for Board members circulated on 7 July.

In summary:

- The PCT is required to achieve savings of £18.3 million in 2010/11 but has an overall savings target of £20.8 million to allow for any in-year slippage.
- At Month 3 £5.7 million savings have been delivered against a target of £6.9 million, a shortfall of £1.2 million. The following table provides a summary position for each Programme Board.

Programme Board	Target M3 (£k)	Actual M3 (£k)	Variance (£k)	Progress since M2
Care Closer to Home	382	172	(210)	↓
Unscheduled Care and Admissions Avoidance	1070	675	(395)	↑
Productivity of Non-Acute Services	1122	673	(448)	↑
Acute Contracting	3063	2963	(100)	→
Mental Health	279	280	1	↑
Other Schemes	1008	1008	0	→
Total	6924	5771	(1152)	↓

Further detail is provided in the Executive Scorecard at Appendix 1.

The Board should note progress in relation to:

- The LMC has now agreed that the RMS should proceed as planned.
- A clear action plan has been developed to ensure that the trajectory of 11 patients per day is reached for the CAU.
- A review of voluntary sector commissioning has been completed to inform funding decisions in 2010/11 (see separate Board paper).
- New to follow-up ratios have been agreed.

The Board should note critical issues and risks in relation to:

- The CNWL contract has not been agreed. Following discussions at the Modernisation Board regarding service / pathway redesign initiatives already underway it has been estimated that the sum in dispute is now £500k as opposed to £845k. Schemes for out of contract savings have not yet been agreed.

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- Continuing care disputes with Harrow Council remain unresolved. This will be discussed at the Adult Joint Commissioning Board on 22 July.
- A robust savings plan to recover the ICO financial position has not yet been agreed. This will be discussed at a meeting on 19 July.
- Forecast RAG rating for each Programme Board are to be assessed to determine whether the pace of implementation should be accelerated.
- The savings plan needs to be delivered in the context of a reduction in management costs.

This report is presented to the Board for scrutiny and challenge.

Recommendations to the board:

The Board is asked to :

1. Note progress with the delivery of savings and the critical issues and risks highlighted.
2. Make recommendations on the content and format of future Board reports.

Related PCT objectives:

- Financial performance
- Performance improvement to "good"
- Commissioning developments

Related "QIPP":

- Quality Diversity
- Innovation
- Productivity
- Prevention

Related "Use of Resources"

Reference to risk on Board Assurance Framework / Risk Register

Related "Links to World Class Commissioning Competencies"

6, 11

Report history:

This is the first report to the Board on the Financial Recovery Plan.

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Board Report Executive Director sign off

This report has been approved by the accountable Executive Director and satisfied that the implications for the following areas have been adequately considered.

Financial

Equalities

Name: John Webster

Job Title: Chief Operating Officer