

AGENDA ITEM:

SOUTH TEES HEALTH SCRUTINY JOINT COMMITTEE

22 JULY 2011

**SOUTH TEES HOSPITALS NHS FOUNDATION TRUST
A FINANCE BRIEFING**

PURPOSE OF THE REPORT

1. To introduce the Chief Executive of South Tees Hospitals NHS Foundation Trust, in attendance to speak about the financial challenges facing the organisation.

RECOMMENDATIONS

2. That the Joint Scrutiny Committee considers the contents of the briefing received today and explores any lines of enquiry felt appropriate.
3. That the Joint Scrutiny Committee considers how it would like to progress its consideration of this issue.

CONSIDERATION OF REPORT

4. The Joint Scrutiny Committee will be well aware that the NHS, like most parts of the public sector, faces significant budgetary challenges for the foreseeable future. The Joint Scrutiny Committee may be familiar with the oft-quoted requirement for the NHS to make £20billion worth of efficiency savings between now and 2015.
5. Whilst £20billion is the figure required nationally, it logically follows that there are very real financial challenges facing the local NHS. One of those local NHS organisations facing particular financial challenges is South Tees Hospitals NHS Foundation Trust (STHFT). As Members will be aware, STHFT is a local hospital trust, which is responsible for James Cook University Hospital (JCUH), as well as the Friarage Hospital in Northallerton. In addition, since April 2011 the STHFT has assumed responsibility for Community Services in Redcar & Cleveland, Middlesbrough and parts of North Yorkshire as a result of the Transforming Community Services policy agenda.

6. Members will be aware that JCUH provides a wide range of services to a sizeable population across Northern England as a specialist tertiary hospital. It is, however, also the District General Hospital for the people of Middlesbrough and Redcar & Cleveland. As such, it is particularly important that Elected Representatives for these two local authorities are able to hear about the financial challenges facing the STHFT in detail and pursue any enquiries felt pertinent.
7. At the meeting today, it is anticipated that the Chief Executive of the STHFT will provide an initial briefing for Members and then deal with questions from the Joint Scrutiny Committee. Following that discussion, the Joint Scrutiny Committee is asked to decide how it would like to progress its consideration of the matter as the 2011/12 financial year develops. It may be that the Joint Scrutiny Committee would like to make this topic a regular agenda item, or broaden the matter and seek the views of the wider local health and social care economy, on the financial pressures it faces as a whole.
8. By way of background material, the Joint Scrutiny Committee's attention is drawn to the appendices to this report. Those appendices are the last two reports to the STHFT Board of Directors, outlining the financial position of the Trust, dating from meetings in May and June 2011. It is acknowledged that these reports do not break down Trust finances into a service area level of detail, although they hopefully provide Members with a good level of detail, so the general picture regarding STHFT's financial position is understood. This can then be expanded upon at the meeting today.
9. A Briefing Paper, issued by the Trust at the start of June 2011, is also appended for Members' attention and awareness.

BACKGROUND PAPERS

Appendix 1 - Financial Position of the trust, presented to STHFT Board of Directors on 24 May 2011.

Appendix 2 – Financial Position of the Trust, presented to the STHFT Board of Directors on 28 June 2011.

Appendix 3 – Briefing Paper from Trust on Financial Challenges faced – published 6 June 2011.

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