

SOUTH TEES HEALTH SCRUTINY JOINT COMMITTEE

3 OCTOBER 2011

**THE FINANCIAL OUTLOOK FOR THE SOUTH TEES HEALTH
ECONOMY – A DISCUSSION**

PURPOSE OF THE REPORT

1. To introduce the Chief Executives of NHS Tees & South Tees Hospitals NHS Foundation Trust, in attendance at the meeting today to speak about the financial picture facing the 'south of Tees' health economy.

RECOMMENDATIONS

2. That the Joint Scrutiny Committee notes the information presented today and agrees to keep the matter under review as the year progresses.

CONSIDERATION OF REPORT

3. The Joint Scrutiny Committee will recall that at its meeting on 22 July 2011, it spoke at length with the Chief Executive of the South Tees Hospitals NHS Foundation Trust (STHFT), regarding the financial pressures it faces. A detailed minute of that discussion can be found elsewhere on the agenda today.
4. At the meeting on 22 July 2011, The Joint Scrutiny Committee explored with the STHFT Chief Executive the financial challenges facing the organisation during 2011/12 and the steps that would be necessary to balance the Trust's budget.
5. The Joint Scrutiny Committee also heard that whilst there are significant pressures on the 2011/12 budget, 2011/12 will not be unique and there will be significant financial pressures facing Trust budgets for the foreseeable future.
6. The Joint Scrutiny Committee noted this position and was conscious that the STHFT was operating in a national context where pressure is being placed on

the tariffs it receives for the services it provides, as well as the NHS requiring national savings of around £20b over the next four years.

7. The Joint Scrutiny Committee was keen to explore the future funding of, and financial outlook for, the STHFT in more detail and resolved to hold a further meeting, with an invitation extended to the Chief Executive of NHS Tees to attend. Members will be aware that NHS Tees, as a commissioner of NHS services, is a significant contributor to STHFT's annual income. As such, the efficiencies that NHS Tees is obliged to build into its financial planning will have a material impact upon the STHFT's financial position.
8. As such, the purpose of the meeting today is to hear from the Chief Executives of NHS Tees and STHFT about their thoughts on the funding of the South Tees health economy. In particular, Members may wish to ask about the Chief Executives' thoughts on where the necessary savings could be made, how services may change to become more efficient/release efficiencies and whether there are any particular areas of concern related to the financial viability of the South of Tees health economy.
9. It is suggested to the Joint Scrutiny Committee that following introductions, initial comments are sought from the Chief Executives of NHS Tees and STHFT on the themes outlined in para 8. Following that, it is suggested that the Joint Scrutiny Committee pursues any lines of enquiry it considers appropriate. At the conclusion of the discussion, it is suggested that the Joint Scrutiny Committee considers whether it would like to keep this matter under a watching brief and consider it further as it develops and more is known about the 2012/13 budgets.

BACKGROUND PAPERS

10. Members may wish to refer to the minutes of the South Tees Health Scrutiny Joint Committee on 22 July 2011, that are elsewhere on the agenda.

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