

TO: West Gloucestershire Primary Care Trust

FROM: Mike Theelke, Director of Finance

DATE: 21st April 2005

SUBJECT: FINANCIAL RECOVERY PLAN

1.0 PURPOSE

1.1 To present to the Board for review the Financial Recovery Plan for 2005/06 onwards.

2.0 BACKGROUND

2.1 The PCT has experienced significant financial pressures during 2004/05 due principally to the cost of activity growth under the Payment by Results regime, and the cost of implementing the new GP contract. Consequently, for the first time the PCT will end the year with a substantial deficit.

2.2 The Directors have been developing a Recovery Plan during the last few months, and this is now formally presented to the Board.

2.3 An important element of the Plan is the proposed approach to Case Management of Long Term Conditions, with associated investments to realise savings. The proposals are shown as an annexe to the Recovery Plan.

3.0 RECOMMENDATIONS

3.1 The Board is asked:

to consider the Financial Recovery Plan
to confirm the Case Management approach with associated investments.