

**Summary of Initial 2006/07 Savings Plans**

<b>A Savings Target</b>		<b>£000</b>
Savings Requirement as identified in I&E Plan as at 15th March		4,600
Add - estimated value of savings achieved non-recurrently in 2005/06, which are required again		2,000
Add required improvement to overall I&E bottom line in order to deliver plan with 1% surplus		4,000
<b>Subtotal - Savings Target</b>		<b>10,600</b>
Less reduction in pay awards (transferred to expenditure)		-500
Less additional reduction in pay awards (estimated)		-200
<b>= SAVINGS TARGET as at May 2006 to deliver an I&amp;E plan with a 1% (1.3m) surplus</b>		<b>9,900</b>

<b>B Summary of Schemes Identified to Date</b>		
Full Year Effect of Headcount Reductions identified in 2005/06	All Directorates	3,270
Estimated income generation - PP income	adjusted below - may not be achievable	500
Pay Awards less than included in original plan (at March)	removed below (neutral impact overall) now shown as reduction in expenditure and as lower savings requirement	500
Estimated value for Green & Kassab items to impact in 2006/07	adjusted below to reflect re-assessed value	359
<b>Subtotal - Value of Savings Identified as at April 2006</b>	<b>as detailed in earlier plans (£4.6m)</b>	<b>4,629</b>
Less PP Income	to be re-assessed	-500
Less Pay Awards (transferred to expenditure)	transferred to expenditure, reducing overall savings requirement	-500
Less Green & Kassab Schemes - original value estimated	value re-assessed	-359
Green & Kassab Schemes re-assessed at May 2006	revised value	219
<b>Revised Subtotal as at May 2006</b>		<b>3,489</b>
<b>Additional Trust items identified :</b>		
Junior Doctors Bandings & Rotas		250
Agency Review		750
Review of Diagnostic Tests	review underway - value currently estimated	100
Procurement Initiatives incl HPC and items identified via the non pay group		500
CNST Premium	confirmed	80
Highgate Wing Rent	confirmed	40
General Review of Contracts	value to be clarified	30
Training & Development Review		100
Debtor & Creditor Management		150
Pharmacy SLA		102
<b>Subtotal - Additional Trust Items Identified</b>		<b>2,102</b>
<b>Estimated value to be achieved non-recurrently</b>		<b>2,000</b>
<b>= SAVINGS PLANS as at May 2006</b>	<b>as detailed in attached schedules (Pages 2 - )</b>	<b>7,591</b>

<b>c Gap - target less plans identified</b>	<b>Additional savings plans to be developed</b>	<b>2,309</b>
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