

DRAFT

Gloucestershire Health Community – Arrangements to support achievement of Financial Balance

1. The six Gloucestershire NHS organisations are individually responsible for securing and maintaining financial balance. However, it is recognised that there will be occasions on which one organisation requires financial support whilst delivering a recovery plan. This protocol describes arrangements in those circumstances. Although Gloucestershire organisations may be expected to offer support to other PCTs or Trusts in the SHA area, the first priority is to maintain financial balance within the LHC.
2. For an organisation to receive financial support, the following should apply:
 - (a) the organisation must have a financial recovery plan to restore recurring financial balance within a reasonable period commensurate with the scale of the deficit;
 - (b) the recovery plan must be shared with other members of the LHC, and by a process of peer review agreed to be realistic and deliverable;
 - (c) the plan should not have any adverse impact on other local organisations unless this has been agreed by the LHC as part of strategic change;
 - (d) the organisation must have undertaken all possible in year measures to reduce the size of the deficit.
3. Support will be provided on the following basis:
 - (a) support will be nonrecurring and will be recovered the following financial year, although it may then be reissued as part of an agreed longer term plan;
 - (b) all organisations in the LHC will be expected to contribute to the support, taking into account their own financial positions and the impact on key targets, but allowing for the possibility that development plans elsewhere are deferred to generate a surplus;
 - (c) support offered to PCTs will be actioned as resource limit transfers via the SHA; support offered to NHSTs will be actioned as an rephasing of SLA income across the two years concerned.

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