

**REPORT TO MAIN BOARD - MAY 2017**

**From Finance Committee Chair – Keith Norton, Non-Executive Director**

This report describes the business conducted at the Finance Committee held 26<sup>th</sup> April 2017, indicating the NED challenges made and the assurances received and residual concerns and/or gaps in assurance.

Item	Report/Key Points	Challenges	Assurance	Residual Issues / gaps in controls or assurance
Financial Performance Report	Operational deficit of £17.968m against a target of £18m  Cashflow and debtor balances have decreased significantly largely as a result of significant focus on credit control over the past months.	Are there any surprises with the only issues were stock movement around drugs. No other liabilities.  Contract agreement with GCS settled for 2016/17 in March 2017 with no differences. In respect of 2017/18 contract would be worked out by the end of Quarter 1 and in place by then.	Stronger position as a result of action taken	
Budget Update	Verbal report presented and in respect of the £14.7m Financial Recover Plan the deficit is now £16.7m. A fully report is being presented to the Board.			
Deloitte Financial Reporting Review Recommendations	Two of the 34 recommendations remain outstanding – payments in relation to GP trainees and Hereford Radiotherapy Unit. Future	Estate and asset valuation undertaken reflecting an overall reduction to estates valuation of £14.3m and is included in the draft accounts.		

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	<p>item on The later to be presented to the Committee before final report is presented to the Board</p>			
Workforce Update	<p>Total pay expenditure remains relatively static between M 11 and 12                      Nursing expenditure increased significantly between M 11 and 12 partly as a consequence of an adjustment actioned in M11                      Recruitment endeavours have resulted in the offer of substantive positions of 22 experienced nurses; 7 foreign nurses have commenced and 29 nurses from the Philippines; we are currently looking at recruiting for India. A successful Open Day had been held with 82 offers made to qualified nurses.</p> <p>Turnover is stabilising</p> <p>Medical Locum reduction targets an issue with a savings target of £1.157m next year.</p>	<p>What else do we need to do and view is to continue with the current approach.</p> <p>This will be achieved if we achieve our CIP target. Improvements required in our Bank process.</p>		

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	Concerns in respect of IR 35 and lines may not be held by all Trusts.		Assurance is required in respect of what is in our control eg rotas and trajectories are required. The Chief Executive is to pick this up at Directors' Group	
Regulatory Review Update	The Trust has met NHS Improvement on 4 April 2017. An e-mail had been received regarding our Control Total			
Cost Improvement Programme Update	£10.4m delivered against plan of £13m.  £2m to be added to the 2017/18 Programme and once there is a view of where it will be achieved, it will be held centrally initially	The Programme is presented at monthly intervals with little detail of what will be achieved at year end.	Assurance provided of greater clarity of Divisions in managing CIP with greater detail being provided to monitor the Programme	
Finance Risk Register	Please that the Risk Register has now been developed. 9 risks of which 2 are currently rated 15. These two risks to be discussed at forthcoming Trust Leadership Team (TLT) for consideration for inclusion in the Trust Risk	The process for managing the Risks.	The Committee has the reassurance and were happy with the detail. The process of TLT in managing risks was explained.	

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	Register			
Capital Programme Report	Outturn is £0.1m below target and the impact for this has already been built into the Plan	Challenge around how the Plan is being managed	Assurance provided that the 2017/18 Plan will be managed with equal rigour as 2016.17.	
Other Issues to be Escalated to the Board	<ul style="list-style-type: none"> <li>- Financial Plan and Budget</li> <li>- Deloitte Recommendation; to be discussed at this Committee and then to the next Board meeting</li> <li>- Financial Risk Register – Risks rated 15 to be put on the Trust Risk Register</li> <li>- Medical Staffing – Director of HR and OD to do within the Workforce item</li> <li>- Audit and Assurance – Report being done regarding Challenge and Assurance</li> </ul>			