Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

TRUST BOARD
28th July 2011

TITLE	**Minutes of the Finance Committee meeting held on 22nd June 2011**
EXECUTIVE SUMMARY	The minutes of the Finance Committee meeting held on 22nd June 2011 are attached for noting. The key points are: - ▪ **Finance Report to 31st May 2011** – reviewed the month 2 financial position of the Trust and in particular the operational issues that had affected the results. It was noted that in addition there continued to be a shortfall on the Trust's CIP programme; ▪ **Monitor Metrics Quarter 1** – reviewed and discussed the forecast Monitor Metrics for quarter 1; ▪ **Ashford Outpatients Capital Scheme** – reviewed and approved the business case for the Ashford Outpatients capital scheme prior to Trust Board approval; and ▪ **Terms of Reference** – ratified the revised Terms of Reference of the Committee prior to Trust Board approval.
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Board is assured by the scrutiny provided by the Finance Committee on matters of financial risk.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None obtained.
EQUALITY AND DIVERSITY ISSUES	None that I am aware of.
LEGAL ISSUES	None that I am aware of.
The Trust Board is asked to:	Note the minutes of the Finance Committee meeting held on 22nd June 2011.
Submitted by:	Jim Gollan, Non-Executive Director and Committee Chair Paul Doyle, Deputy Director of Finance
Date:	20th July 2011
Decision:	For Noting

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

TRUST BOARD
28th July 2011

Minutes of the Finance Committee meeting held on 22nd June 2011

PRESENT:	Mr. Jim Gollan	Non-Executive Director (Chair)
	Mr. Peter Taylor	Non-Executive Director
	Mr. Clive Goodwin	Non-Executive Director
	Mr. Andrew Liles	Chief Executive
	Ms. Valerie Bartlett	Deputy Chief Executive
	Ms. Raj Bhamber	Director of Workforce & Organisational Development
	Mr. John Headley	Director of Finance and Information
	Mr. Paul Doyle	Deputy Director of Finance
IN ATTENDENCE:	Ms. Colleen Sherlock	Head of Workforce Planning & Intelligence
	Ms. Wendy Munro	MSc Fellow in Clinical Leadership
SECRETARY:	Ms. Desireé Irving-Brown	Assistant Director Financial Management
APOLOGIES:	None	

Actions

1. Introductions and Apologies

There were no apologies to note. It was noted that the meeting constituted a quorum.

2. Minutes of the Meeting held on 18th May 2011

The minutes of the meeting held on 18th May 2011 were agreed.

3. Matters Arising

3.1 Action Points List

There were three action points which were due for this meeting but which were deferred to July. It was agreed that this was appropriate.

Jim Gollan provided an update on actions 12 and 14. It has been agreed that a quarterly exception report be provided to the Finance Committee on the delivery of projects that affect the overall Trust strategy. It was also agreed that the Finance Committee would continue to oversee the Charitable funds for 12 months, with a view to making a recommendation for alternative oversight in December 2011.

All other action points due for this meeting were listed as agenda items or had been completed.

3.2 Update from Strategy Committee

Jim Gollan provided an update on the Strategy Committee which met for

the first time on 14th June 2011. The remit of the group would be twofold, firstly to oversee the Trust's part in the changing Community Services in Surrey (including defining relationships with the successful party), and secondly to oversee the Epsom bid. The criteria for the Epsom bid needed to be understood in terms of the Trust's overall long term strategy to ensure it is appropriate. The process has already been delayed by a month, and until the invitation to tender is received, the approach to the bid cannot be determined. The Strategy Committee has decided to use an iterative process to discuss and assess the progress of the bid.

Peter Taylor asked what the perceived role of the Finance Committee would be in the process, and the Director of Finance and Information confirmed that the intention would be to bring the revised base case model to the Finance Committee in July. The Epsom bid would be overlaid onto this base case. Any further involvement by the Finance Committee would be decided by the Strategy Committee as required. JH

4. Activity, Workforce and Finance

Jim Gollan provided a high level summary of the financial situation and operational challenges, and invited the Committee to discuss these in the context of the Monitor forecast.

4.1 Activity

The Deputy Chief Executive set out the operational impact on the financial performance, stating that it was not only escalation beds, but increased length of stay, under-delivery of CIPS, and pay overspends.

Bed numbers are continuing to decrease, but length of stay remained high.

4.2 Operational Performance Report

This new report was welcomed and noted by the Committee.

4.3 Workforce Report

The improved Workforce Report was also welcomed and noted by the Committee.

4.4 Finance Report as at 31st May 2011

After discussion this was noted by the Committee.

4.5 Monitor Metrics - Quarter One

A summary of the quarter one forecast position was provided. It was explained that the paper assumed that June financial performance would be stronger than the previous two months, building on the improvements seen in May. However to meet the quarters target financial position it was likely that it would require the acceleration of the year end provisions review.

The Non-Executive Directors requested further information on the projection of June performance before making a decision on whether to

accelerate the year end provisions review as there was a general reluctance to release provisions so early in the financial year. It was agreed that this would be covered in the paper to the June Trust Board meeting. The Non-Executive Directors felt that if the situation could not be recovered operationally, then the problem would not be rectified by releasing provisions. JH/PD

5. Commercial Group

5.1 Minutes of meeting held on 12th May 2011

The Minutes were noted. It was agreed that the Commercial Group would cover reviews of various supplier contracts and that a quarterly report on the discussions and benefits gained on reviewing purchasing contracts should be brought to the Finance Committee.

5.2 Feedback from meeting held on 9th June 2011

The Director of Finance and Information provided an update on the discussion at the Commercial Group meeting held on 9th June 2011, which included an update on the Catering Tendering process, and the benefits to patient experience and operational efficiency that are being sought. There was also an update on the EDF Contract.

5.3 Schedule of Business 2011

This was approved.

6. Capital

6.1 Capital Report as at 31st May 2011

It was suggested that more discussion could be had if the foregone benefits of delays was understood. The Committee noted the paper.

6.2 Capital Control Group Terms of Reference

The Committee approved the Terms of Reference.

6.3 Minutes of Capital Group Meetings held on 9th May 2011 and 6th June 2011

The minutes were noted.

6.4 Ashford Outpatients Business Case

It was agreed that this be recommended for approval by the Trust Board. There were some suggestions on how future cases could be robust, including market research and expected financial benefit and payback, but that this would not be required in this instance in the interest of getting the project started, as it was agreed that the work was required. Jim Gollan will provide further feedback on strengthening business cases. JG

7. Management and Administration Costs

The Committee agreed with the proposal to monitor Management and

Administration costs based on occupational code going forward.

8. Finance Committee Review

8.1 Terms of Reference Update

The Committee approved the revised Terms of Reference – these would now be presented to the Trust Board for approval. PD

8.2 Finance Committee Review – Action Plan

The Committee approved the action plan and suggested it be revisited in six months to ensure it was on track.

9. Charitable Funds

9.1 Quarter 4 Funds Report

The report was noted. Peter Taylor raised the point that the Charitable Funds required further discussion, not just in terms of finances, but on how the money would be spent, and setting out plans for future charity campaigns.

9.2 Barclays Wealth Update

Jim Gollan has agreed to meet with Barclays to discuss the portfolio, specifically to review the mandate they have been given and to establish why the portfolio has a medium/high risk and what this means for the Trust.

It was agreed that the Committee should decide the investment philosophy and policy on disbursing funds as these should be in keeping with that of a charitable fund, and not for wealth accumulation. Peter Taylor suggested that alternative options should be provided on how funds are invested in future, and that should be put to tender.

10. Identification of Financial Risks

(i) Items for Risk Register

None.

(ii) Key Points to take to the Trust Board

The month two financial and operational position; the Quarter 1 Monitor FRR and recommendation to proceed with the Ashford Outpatients project would be taken to the Trust Board.

11. Items for Information

11.1 Schedule of Business

All the changes were noted.

11.2 Business Cases Approved by TEC

These were noted.

11.3 Tender Waivers >£50k

None.

11.4 Foundation Trust Sector Overview – Quarter 4 2010/11

The report was noted.

12. Any Other Business

None.

13. Date and Time of Next Meeting

Wednesday 20th July 2011 at 8.30 a.m. at Level 2 Seminar Room, St. Peter's Hospital.