

TRUST BOARD
28th May 2012

TITLE	Minutes of the Finance Committee meeting held on 18th April 2012
EXECUTIVE SUMMARY	<p>The minutes of the Finance Committee meeting held on 18th April 2012 are attached for noting. The key points are: -</p> <ul style="list-style-type: none"> ▪ Finance Report to 31st March 2012 – although the draft accounts had not yet been fully completed the Committee was advised that the draft year end surplus was £1,039k in line with the revised forecast ; ▪ Epsom – received an update on the finances associated with the proposed transaction; ▪ Capacity Plan – received a report on the ongoing work in relation to the review of the Trust's capacity plan; ▪ Capital – reviewed a paper showing increased costs of the capital project for the Ashford Outpatient refurbishment. Requested an internal audit on the process around submission on capital bids through Committee approvals; and ▪ Monitor Three Year Plans – reviewed and approved assumptions for the three year plan submission;
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 we are aware of.
LEGAL ISSUES	None that we are aware of.
The Trust Board is asked to:	Note the minutes of the Finance Committee meeting held on 18 th April 2012.
Submitted by:	Jim Gollan, Non-Executive Director and Committee Chair Paul Doyle, Deputy Director of Finance
Date:	23 rd May 2012
Decision:	For Noting

TRUST BOARD
28th May 2012

Minutes of the Finance Committee meeting held on 18th April 2012

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
	Mr. John Headley	Director of Finance and Information
	Ms. Valerie Bartlett	Deputy Chief Executive
	Mr. Ian McNuff	Integration Director
	Ms. Suzanne Rankin	Chief Nurse
	Mr. Paul Doyle	Deputy Director of Finance
IN ATTENDANCE	Ms. Aasiya Moreea	Head of Information
	Mr. Andy Thomas	Finance Lead – Epsom Project
	Ms. Jacqueline John	Finance – Epsom Project
SECRETARY:	Ms. Desireé Irving-Brown	Assistant Director, Financial Management
APOLOGIES:	Ms. Raj Bhamber	Director of Workforce & Organisational Development

Actions

1. Introductions and Apologies

Apologies were as noted above. It was noted that the meeting constituted a quorum.

Jim Gollan thanked John Headley for his contribution to the Trust.

Peter Taylor advised he would not be attending the Finance Committee meetings in June and July.

2. Minutes of the Meeting held on 21st March 2012

The minutes of the meeting held on 21st March 2012 were agreed.

3. Matters Arising

3.1 Action Points List

3.1.1 Action point 1

It was agreed that an update would be circulated after the meeting, and that this would be removed from the action list as it would come back after it had been to TEC.

3.1.2 Action point 4

Paul Wybrow was due to meet with the Deputy Chief Executive VB

regarding best practice, the due date was moved to June 2012.

3.1.3 Action point 5

The Director of Finance and Information was due to meet Bob Alexander today to confirm the underwritten costs, it was confirmed that the transaction costs were included in the heads of terms, and that all costs would be recovered except if the Trust withdrew without reasonable cause.

JH

All other action points were either completed, not yet due or on the agenda.

4. Activity, Workforce and Finance

4.1 Activity Report

The Head of Information presented a report detailing the activity and income trends for the past 3 years. This covered elective, day case and outpatients activity. This highlighted a decreasing trend in day case work offset by an increasing trend in elective work, with outpatients activity increasing, but the income for new outpatients declining, indicating a change in mix.

It was confirmed that operational pressures did not have a significant impact on elective work in 2011/12.

The Committee requested that a similar report be generated for A&E, along with the 2012/13 plan.

AM

4.2 Operational Performance Report

The Deputy Chief Executive stated that performance had been good on most targets but that A&E target was still a significant issue. The targets had been missed in Q3 and Q4 of 2011/12, and it was likely to be missed in Q1 of 2012/13, and therefore Monitor could change the rating to Red after a third quarter of poor performance.

The Trust is working with ECIST to improve the situation (ECIST are working with 3 Trusts in Surrey and there is a question around the overall infrastructure in the region). A detailed plan will be brought to the Board.

A question regarding assurance that the plan would deliver the desired outcome within the timeframe indicated was raised with regards to this action plan to improve A&E performance. It was agreed that this assurance could not be provided directly by the paper that was presented, and that the Board would have to satisfy itself that the necessary governance and processes were in place to ensure delivery of this plan.

4.3 Workforce Report

The Workforce Report was noted by the Committee.

A concern was raised around the RAG ratings showing as achieved against figures which were below the targets.

4.4 Finance Report

A summary report was provided, as the year end had not yet been finalised. The forecast result was in line with the revised forecast, with continued pressure on EBITDA.

A full Finance report would be completed and circulated to the Committee. PD

4.5 Monitor Compliance Return

The report was noted.

Jim Gollan asked for a full monthly and quarterly plan for 2012/13 to be presented to the Board with recommendations on why it should be accepted.

5. Epsom Finance Update

Jim Gollan suggested that the paper not be opened for debate, but that the Committee looked at the assumptions and agreed if they are robust enough, so that it can be agreed where the focus should be.

The key assumptions for the ASPH section were discussed, and concerns were raised around the pay assumptions and the impact on staff. It was noted that whilst NHS Surrey had agreed the activity and income assumptions, they could not speak for 10 years of GP Commissioning.

The Epsom section was reviewed, the Integration Director summarised by stating that the true picture at Epsom remained unclear, and was likely to remain so until preferred bidder status was conferred at which point the Trust could officially review the Epsom data first hand. The aim is to sign a document with an agreed baseline and no waivers, with clear financial support and access to more if required. This could only happen once a detailed review had been undertaken.

The Committee was happy to proceed with a more detailed business case. It was hoped that the papers would go to the London SHA by 16th May 2012 and 31st May 2012 so that preferred bidder status could be conferred by 1st June 2012.

It was also suggested that a clear message be given to the Board about preferred bidder status, which only means that ASPH can review Epsom directly; it does not mean the bid has been successful.

6. CMAO Update

The amber status of the project was noted however the paper was deferred as there was nobody present to talk through it. PD

7. Capacity Plan Update

The Committee was happy to proceed as proposed, however Clive Goodwin requested that a pictorial chart be provided which showed the existing state compared to the proposed state, and how the changes address the problems. VB

8. Monitor 3 Year Plan - Assumptions

The Director of Finance and Information explained the implied efficiency measures in the Monitor plan, and the need to ensure that the ASPH assumptions align with the new Monitor parameters.

PD

9. Commercial Group9.1 Minutes of meeting held on 8th March 2012

The minutes were noted.

9.2 Feedback from meeting held 10th April 2012

Noted.

10 Capital10.1 Minutes of the Capital Control Group meeting held on 2nd April 2012

The capital report was noted.

10.2 Ashford Outpatients Redevelopment Update

The minutes were noted.

Jim Gollan asked whether it was possible to 'yellow card' this project without delaying it to ensure lessons were learnt. The Committee suggested that Internal Audit be asked to review this project, and assess the risk on the MLU and Hybrid Theatre cases too. A strong message could then be issued from the Board to the Capital team.

VB

11. Review of Charitable Funds

Jim Gollan confirmed that there was nothing fundamentally wrong with the investment policy, although a few changes could be made to improve it. The critical issues were (1) why are funds held for so long and (2) is there a law requiring these be spent within a reasonable time.

This needs to be agreed at the private session of the Trust board, Jane Gear to be advised.

12. Review of Finance Committee Performance

This report was noted by the Committee.

13. Identification of Financial Risks13.1 Financial Risks

This report was noted by the Committee.

13.2 Items for the Risk Register

Nothing new to be added.

13.3 Key Points to take to Trust Board

- Epsom assumptions
- Capacity plan project
- A&E targets
- New Charitable funds process

14. Items for Information

14.1 Schedule of Business

Noted.

14.2 Business Cases Approved by TEC

The business cases were noted by the Committee.

14.3 Tender Waivers >£50k

The tender waiver in March 2012 was noted.

15. Any Other Business

None.

16. Date and Time of Next Meeting

Wednesday 23rd May 2012 at 8.30a.m. in Room 2, Chertsey House, St. Peter's Hospital