

TRUST BOARD
31st July 2014

TITLE	Finance Committee Annual Report
EXECUTIVE SUMMARY	<p>As a formal sub-committee of the Trust Board the Finance Committee is required to present its Annual Report to the Trust Board under the Committee and Group Policy.</p> <p>The report summarises the key areas of activities over the year to 30th June 2014 in discharging the Committee's duties under its approved Terms of Reference.</p>
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Trust Board is assured that risks (mainly financial) have been identified during the year and actions have been taken to address them.
LINK TO STRATEGIC OBJECTIVE / BAF STAKEHOLDER / PATIENT IMPACT AND VIEWS	<p>SO4 Top Productivity</p> <p>None obtained.</p>
EQUALITY AND DIVERSITY ISSUES	None identified.
LEGAL ISSUES	None identified.
The Trust Board is asked to:	Receive the report.
Submitted by:	Jim Gollan, Chair of the Finance Committee
Date:	24 th July 2014
Decision:	For Receiving.

ANNUAL REPORT TO THE TRUST BOARD

Introduction

The Finance Committee is a formal sub-Committee of the Trust Board with defined Terms of Reference and as such is required to prepare an annual report on its work and performance in the preceding year for consideration by the Trust Board. This report summarises the Finance Committees activity for the year to 30th June 2014.

Meetings

Meetings were held on the following dates during the period: -

19 th July 2013	18 th September 2013
23 rd October 2013	20 th November 2013
18 th December 2013	22 nd January 2014
26 th February 2014	19 th March 2014
16 th April 2014	18 th June 2014

Membership and Attendance

The membership of the Finance Committee over the year is set out below along with the maximum number of meetings that could have been attended and actual number attended. Each member (or fully briefed deputy) must attend a minimum of 50% of meetings during the year.

<u>Name</u>	<u>Position</u>	<u>Max</u>	<u>Actual</u>
Jim Gollan	Non-Executive Director	10	10
Peter Taylor	Non-Executive Director	3	3
Clive Goodwin	Non-Executive Director	10	8
Terry Price	Non-Executive Director	5	4
Simon Marshall	Director of Finance and Information	10	10
Valerie Bartlett	Deputy Chief Executive	10	3

The meeting held on 18th June 2014 was not quorate and only two members were able to attend. The meeting went ahead and was reported to the next Finance Committee and Trust Board.

On four occasions when the Deputy Chief Executive was unable to attend the Chief Executive attended instead.

The Chief Executive, Chief Nurse and Director of Workforce Transformation are invited to attend meetings, but are not formal members of the Committee.

The Committee is supported by the Deputy Director of Finance and Assistant Director, Financial Management who acts as Secretary to the Committee.

Terms of Reference

The current Finance Committee Terms of Reference were reviewed and updated by the Committee at its 18th June 2014 meeting and then approved by the Trust Board on 26th June 2014.

Progress/Achievements

The Committee made good progress in two out of three objectives which it set itself at the start of 2013/14 for delivery by March 2014, as follows:

Objective	Outcome
<p><u>Risk based budgetary control</u></p> <p>Manage the delivery of key financial targets using a risk management plan.</p>	<p>This was the major focus of the Committee's regular work in 13/14. At the half year, the Board agreed to work towards a lower surplus target of £1.5m, compared to £3m anticipated in the original budget. Despite several challenges (e.g. payment of over-performance, investment in A&E initiatives, unbudgeted levels of temporary staffing), the revised target was delivered. The key mechanism for reviewing forward performance was through a risk and sensitivity analysis to provide focus on the most significant drivers of performance</p>
<p><u>The FD's Think Tank</u></p> <p>Use part of some meetings to develop thinking on key financial issues. The Director of Finance and Information will identify and bring these to the Committee, supported by a short paper to set up discussion. So far, we have identified 3 topics:</p> <ul style="list-style-type: none"> • Changing our culture around procurement • End Game for the 3 year Financial Strategy • Incentives for changing clinicians' behaviour to support financial goals 	<p>Topics covered included Income and Cost drivers (Oct 13), CIPs Strategy (Oct 13), Temporary workforce (Nov 13), Strategic and Operational Planning process (Nov 13), Mediation and Arbitration with CCG (Jan 14), Working Capital Facility (Mar 14)</p>
<p><u>Business case delivery</u></p> <p>Review the lessons learned reviews due in 2013/14 for major projects completed during this year or last.</p>	<p>This objective was not met during the year and will be carried forward to 14/15</p>

In addition to the above, the Committee took on the review of operational performance during the year, as directed by the Board.

Policies

The Committee has reviewed the Treasury Management Policy during the year in the light of the ceasing of the working capital facility. An updated policy was approved in April 2014.

Objectives for 2014/15

The establishment of the Committee's objectives for 2014/15 was deferred until its Chair is in place. However, the Committee is working on the assumption that 'Risk based budgetary control' will remain a key focus in 14/15 as it was last year as well as work on forecasting and tracking of business cases.

Conclusion

The Committee has complied with its Terms of Reference during the periods under review.