

Board of Directors' Meeting Report – 29th October 2014

Agenda item 322/14

Title	Report from the Finance and Investment Committee
Sponsoring Director	David Parkins – Non ~Executive
Author	David Parkins – Non ~Executive
Purpose	To update the Trust Board on the meeting of the FIC held on 25 September 2014
Previously considered at	N/A
Executive Summary	
<p>This paper summarises the issues considered at the meeting. Matters discussed included the month 5 Board Finance Report, the Financial Recovery Plan including the 2014/15 CIP programme, A draft Treasury / Investment Strategy and a draft Business Case Review Process.</p>	
Related Trust Objective	2. Sustainability – Keep the Core Strong
Related Risk	Objective 3 Sustainability - keep the core strong Risk 3. Uncertainty about commissioning changes Risk4. Financial pressures prevent delivery of strategic objectives
Legal implications / regulatory requirements	Additional scrutiny of Finance issues, Monitor's FRR
Quality impact assessment	QIA's are applied to all CIP programmes
Equality impact assessment	As far as can be considered this paper has no detrimental impact for the 8 protected characteristics under the Equality Act 2010
Action required by the Board	
Approve	Assure x Note

Report from the Finance and Investment Committee

Background

The purpose of the Committee is to provide the Board with an objective review of the financial position of the Trust and oversee the delivery of financial performance. This report sets out the issues considered at the August meeting.

Board Finance Report/Recovery Plan/CIPs

The Committee reviewed the Month 5 results for the Trust and the forecast for the financial year. There were no material issues raised beyond those already discussed at Board. The Forecast was considered prudent in that largely the benefits to be derived from the work of the newly appointed Director of Transformation had been excluded.

The report to the Committee will be enhanced in future to show more detail regarding the cash flow forecast and capital expenditure plan. Further work was requested to improve the reporting of the relationship between costs, income and activity volumes.

Andrew Murphy attended the Committee to present his approach and plans for cost improvements in the short and longer term. The impact in the current financial year was discussed and considered material to this year's results. The Committee will receive regular feedback on progress and in particular should plans appear to not working.

The Committee reiterated concerns previously expressed that there appeared to be a lack of new CIPs planned for implementation in the remainder of the current year.

Treasury/Investment Strategy

The draft strategy was presented. The Committee considered the proposal a well structured and prudent approach.

Business Case Review Process

The proposal presented lacked detail. A more comprehensive document was requested that considered a number of missing elements e.g. reflecting different types of business case justification including financial and clinical benefits, the financial model approach to be adopted, the hurdle rate for financial returns where appropriate.

Recommendations

The Board is asked to note the report and the assurance conclusions.