

BOARD PAPER - NHS ENGLAND

Title: Report of the finance and investment committee

Clearance: Moira Gibb, Chair of the finance and investment committee
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Purpose of paper:

- To inform the Board of the work undertaken by the finance and investment committee.

Key issues and recommendations:

- The finance and investment committee (“the committee”) was established as a committee of the Board in order to scrutinise the financial planning and performance of NHS England and the wider NHS commissioning sector.
- This paper contains an update on the committee’s activities for the period 1 April 2013 until 1 July 2013 and highlights any issues and decisions that the board should be aware of.

Actions required by Board Members:

- To note the work of the finance and investment committee.

Report of the Finance and Investment Committee

1. The finance and investment committee (“the committee”) was established as a committee of the board in order to scrutinise the financial planning and performance of NHS England and the wider NHS commissioning sector.
2. The main ways that the committee will deliver this objective are by:
 - Reviewing and approving the financial policy framework for the commissioning sector;
 - Considering and approving NHS England financial policies;
 - Monitoring the in-year financial performance of the commissioning sector;
 - Considering NHS England’s medium term financial strategy, in relation to both revenue and capital, and making recommendations to the Board;
 - Reviewing and recommending the overall annual revenue and capital budgets to the Board for approval, and then monitoring spend during the year; and
 - Approving business cases on behalf of the Board.
3. This paper contains an update on the committee’s activities for the period 1 April 2013 until 1 July 2013 and highlights any issues and decisions that the board should be aware of.
4. **Update on activities for the period 1 April 2013 until 1 July 2013.**

4.1. Terms of reference

- The committee adopted the terms of reference previously approved by the Board.

4.2. Financial policies

- **Allocations review** - an update on the ongoing allocations review was received and noted by the committee.
- **Tariff Engagement Document** – the committee reviewed the draft engagement document produced in collaboration with Monitor and endorsed it for publication.
- **Pricing Joint Operating Model** - the committee approved the ‘Pricing Joint Operating Model’ for resolving failures to agree between Monitor and NHS England.
- **Provider support** - the committee discussed the implementation of NHS England’s provider support policy and endorsed the proposed approach for 2013/2014.
- **2013/2014 Opening Balance Sheet** - revised guidance on the process for transferring balances from old NHS organisations to new organisations was noted by the committee.

4.3. Financial plans for 2013/2014

- The latest 2013/2014 commissioning financial plans for clinical commissioning groups (CCGs) and NHS England were reviewed and endorsed.
- The committee reviewed and approved the commissioning support unit (CSU) plans for 2013/2014.

4.4. Financial position 2013/2014

- The financial reporting information formats for use by Operations Executive and finance and investment committee were reviewed, and the committee supported their phased adoption, with the bulk being available from month three.
- The month two financial position for CCGs and NHS England's direct commissioning budgets was reviewed by the committee.
- It was noted that at this early stage in the year, the timetable for receipt of provider activity data means that the reported financial position reflected a number of estimates in both CCGs and NHS England direct commissioning budgets.

4.5. Capital expenditure

- The committee ratified an action previously agreed by correspondence, to award a number of capital grants to the Hospice sector totalling £60m.
- The grants will be distributed in 2013/2014 by 'Help the Hospices' on behalf of NHS England.

4.6. Business cases

- The committee reviewed two full business cases for redevelopment at West London Mental Health NHS Trust in relation to both Broadmoor Hospital and St Bernard's Hospital.
- It was noted that NHS England is not required to approve the business cases, as this is a matter for the Trust Development Authority (TDA). However, the committee was asked to consider the reconfirmation of commissioner support previously provided by NHS London.
- The strong clinical and safety requirements for the developments were considered, together with the overall capacity requirements of the service.
- After careful consideration, approval was given for the Chief Financial Officer to seek an urgent action to provide commissioner support letters for both redevelopments.

4.7. Other key issues

- **South London Healthcare** - the committee noted the current status of the implementation of the Trust Special Administrator's (TSA) recommendations relating to South London Healthcare.

5. The Board is asked to note the work of the committee for the period 1 April 2013 to 1 July 2013.

Paul Baumann
Chief Financial Officer
July 2013