

BOARD PAPER - NHS ENGLAND

Title: Finance and investment committee report

Clearance: Moira Gibb, Chair of the finance and investment committee
Paul Baumann, Chief Financial Officer

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 2 July 2013 until 2 September 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.

Finance and investment committee report

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 2 July 2013 until 2 September 2013 and highlights any issues and decisions that the board should be aware of.

Update on activities for the period 2 July 2013 until 2 September 2013.

4. **Financial policies**
 - **National Tariff for 2014/2015** - the committee received an update on the development of the 2014/2015 National Tariff and recommended that the Board delegate final sign-off to the Committee prior to publication in October 2013.
 - **Allocations review** - an update on the on-going allocations review was received and noted by the committee.
 - **Strategic planning** - the committee received an oral update on the strategic planning processes being developed for the period beginning 2014/2015 and provided comments on the proposals.
5. **Financial position 2013/2014**
 - The financial position for CCGs and NHS England’s direct commissioning budgets were reviewed and risks and mitigations were considered in detail.
 - It was noted that the availability of robust activity data on which to base accruals for acute hospital costs and identify trends for forecasting the balance of the year, remains a significant issue. The activity reporting programme is urgently taking forward work in this area.

6. **Capital expenditure**

- **2013/2014 Capital allocation** - the committee approved allocations totalling £207m against the capital funding provided in the mandate. It was noted that further work was required to define principles and criteria for NHS England schemes funded through NHS Property Services budgets.
- **Hospice Grants** - the committee received a progress update on the capital grants which were awarded to the Hospice sector for 2013/2014 and noted the monitoring arrangements in place to provide assurance that the expenditure would be spent in this financial year.

7. **Business cases**

- **Royal National Orthopaedic Hospital** - the committee recommended that the board approve the decision to issue a letter of commissioners support to the Phase 1 PFI redevelopment of the Royal National Orthopaedic Hospital.

8. **Other key issues**

- **South London Healthcare** - the committee received an update on the implementation of the Trust Special Administrator (TSA) recommendations relating to South London Healthcare and recommended that the board approve the associated NHS England investment required to support the transactions.
- The committee recommended that the board delegate power to sign the transaction agreements to the Regional Director for London in agreement with the Chief Financial Officer in accordance with the conditions and funding arrangements set out in the papers presented to the committee.

9. The Board is asked to note the work of the committee for the period 2 July to 2 September 2013.

Paul Baumann

Chief Financial Officer

September 2013