

BOARD PAPER - NHS ENGLAND

Title: Efficiency Controls Committee report

Clearance: Paul Baumann: Chief Financial Officer

Purpose of paper:

- Report from the efficiency controls committee (ECC), in accordance with its terms of reference

Actions required by the Board:

- The Board is asked to note the work of the committee

Efficiency Controls Committee Report

1. The objective of the committee is to approve expenditure on activities relating to NHS England's functions that are subject to DH and Cabinet Office controls utilising, where appropriate, the delegated financial limits set out in the Standing Financial Instructions for members in attendance (the committee has no delegated budgetary authority of its own).
2. The ECC is focused on approval of short term revenue business cases, with the finance and investment committee scrutinising long term commitments, capital and property related business cases as well as wider issues of financial policy, performance and budgetary control.

The number of cases considered at each meeting, and their outcome is as follows:

Dates	Number Cases on Agenda	Number of Cases Approved	Number of Cases with Conditions	Number of Cases Rejected
24/04/2014	7	7	0	0
01/05/2014	3	3	0	0
08/05/2014	3	3	0	0
15/05/2014	10	4	6	0
22/05/2014	9	8	1	0
29/05/2014	5	3	2	0
05/06/2014	9	8	1	0
Total	46	36	10	0

Dates	Value of Cases on Agenda	Value of Cases Approved	Value of Cases with Conditions	Value of Cases Rejected
24/04/2014	£684,784.28	£684,784.28	£0	£0
01/05/2014	£328,054.00	£328,054.00	£0	£0
08/05/2014	£139,879.24	£139,879.24	£0	£0
15/05/2014	£1,752,112.80	£206,776.80	£1,545,336.00	£0
22/05/2014	£811,229.00	£571,229.00	£240,000.00	£0
29/05/2014	£1,574,015.00	£115,815.00	£1,458,200.00	£0
05/06/2014	£1,950,745.00	£1,647,745.00	£303,000.00	£0
Total	£7,240,189.32	£3,694,283.32	£3,546,536.00	£0

3. Despite some welcome improvements in recent months, the operation of the efficiency controls as currently defined remains administratively cumbersome and results in significant delays with critical projects. It has also become clear that the SFIs in this area require review to ensure that they are appropriate to NHS England's operating model. Internal Audit has recently completed a report which expresses concern about the appropriateness of the control regime currently in place and the levels of compliance with it, particularly in Area Teams. We are therefore launching a project under the aegis of the wider Organisational Alignment and Capability Programme to review all aspects of our procurement processes and related controls with a view to creating a system which secures value for money on all relevant expenditure and ensures compliance with Cabinet Office and HM Treasury mandated controls while also enabling all parts of the organisation to access necessary resources quickly and efficiently. A report outlining our conclusions will be completed by the end of July, with action on the highest priority recommendations initiated immediately thereafter.

Paul Baumann

Chief Financial Officer

July 2014