NHS Direct Finance Committee Minutes: 13 July 2011

Agenda Item: 11
Reference: 11B.091

Board Meeting: 26 September 2011

Status: Unconfirmed	Verbal updated provided to Board on 25 July 2011 Minutes approved by Chair and presented to the Board on 26 September 2011 Minutes to be approved by Committee at 13 October 2011 Finance Committee meeting
NHS Direct Finance Committee	
Minutes of the Finance Committee meeting held on 13 July 2011 at 3pm, 120 Leman Street, London, E1 8EU	
Present:	Tim Walton (Chair), Sue Hunt (Non Executive Director) Steven Duncan (Non Executive Director) Trevor Smith (Director of Finance) Alan Bentall (Chief Information Officer) Luisa Dillner (Non Executive Director)
In attendance:	Roger Rawlinson (HR Director) Ruth Rankine (Director of Strategy and Planning Bola Agboola (Financial Accountant) Ronnette Lucraft (Chief Operating Officer Jackie Dunn (Deputy Director of Finance) Simon Jones (Regional Director) David Saint (Our Future Programme, EY) Rob Keates (Out Future Programme Director, EY) Hollie Campbell (EA to COO and HR Director; Scribe)

1	**Welcome & Apologies for absence**
1.1	Apologies were received from Emma Farlow (Finance Governance Lead) and Nick Chapman (Chief Executive)
2	**Declarations of Interest**
2.1	There were no declarations of interest in items on the agenda.
3	**Minutes of the Finance Committee**
3.1	The minutes of the Finance Committee held on 7 March were agreed as an accurate record.
3.2	The minutes of the Extra-ordinary Finance Committee held on 12 May were agreed as an accurate record.
3.3	The minutes of the Extra-ordinary Finance Committee held on 3 June were agreed as an accurate record.
4	**Matters Arising**
4.1	Minutes 7 March 2011 Item 5.1 With reference to the last paragraph regarding Health Information Services; Ruth Rankine updated the Board on the progress of an external review which has been commissioned for the future of Health Information services in the context of 111. The first draft will be ready by the end of July 2011.
4.2	Ref : 11FC.011 / Minutes of 3 June 2011 As per the action the bid was submitted, however the procurement process was stopped.NHS Direct will respond when the procurement re-commences.
4.3	Ref : 11.001 / July 2011 Action Log Suppliers have decreased from 1200 to 869. There are still high numbers of low value orders which will be tackled. There is a degree of consolidation on the number of invoices in the system. There is a catalogue of procurements that have found savings.
4.3.1 4.4	It was agreed that a formal report detailing how much will be saved and the reduction in suppliers would be brought to the October Finance Committee meeting. **Action : Trevor Smith**
4.5	Ref : 11.007 / July 2011 Action Log An email was circulated detailing the cumulative spend with Ernst and Young. It was agreed that this action status would be changed to 'Ongoing' as it will be monitored at each Finance Committee.
4.6	Ref : 10.016 / July 2011 Action Log Sufficient progress on Long Term Conditions Platform has not been made for a further paper to be produced at this stage. This will be deferred to a future Finance Committee meeting.
4.7	Ref : 11.005 / July 2011 Action Log The follow up paper will be deferred to January 2012 as more time is needed for the financial analysis of homeworker vs. non-homeworker.

5	**Our Future Programme**
5.1	The Finance Committee received and discussed in detail the Our Future Programme Update provided by Rob Keates. - Operational Delivery Model: 1. Operational Delivery Model Design should be green status. - Operational Delivery Model: Outbound and inbound messaging will not be referred to as 'phases'. - Programme Office: Human Resources resource has now moved to green status since this paper was submitted. - The Benefits Overview is a work in progress.
5.2	It was suggested that the Finance Committee revisit the issue of whether too much detail is covered in this report in order to achieve the appropriate level for the Finance Committee **Action: Rob Keates / Finance Committee members**
5.3	**<u>Resolved:</u> that the Our Future Programme report was noted.**

6	**Finance Report**
6.1	The Finance Committee received and discussed the additional appendices of the Finance Report (Month 2) which supplements the Trust Board Finance Report which was presented earlier this month. - The Trust recorded a surplus of £1.4m, £0.1m better than planned. - At the end of month 2, three directorates are reporting adverse variances against plan; Operations has overspent, however when taking into account the contingency reserve for offsetting KPI penalties this is breaking even.
6.2	It was agreed that a written commentary would be attached to the Service Line Reporting report next time. Any specific issues would be discussed at the next Finance Committee meeting. **Action: Jackie Dunn / Trevor Smith**
6.3	**<u>Resolved:</u> that the Finance Report was noted.**
7.	**Finance Return to Department of Health**
7.1	The Finance Committee received and noted the Finance Return to the Department of Health.
7.2	Actual expenditure is in line with that reported to the trust board but the year to date budget is slightly different as the Trust has now revised the budget profile for the year in line with the Our Future programme.
7.3	**<u>Resolved:</u> that the Finance Return to Department of Health report was noted.**

8	**Trust's Capital Programme**
8.1	The Finance Committee received and discussed the Trust's Capital Programme Report.
8.2	It was noted that the original advised capital expenditure of £7.2 million was increased to £7.5million due to 3 ongoing schemes which weren't originally captured namely the Hedge End Refurbishment ,Nottingham Uninterrupted Power Supply and small estates schemes.
8.3	**<u>Resolved:</u> that Finance Committee noted the Trust's Capital Programme Report**
9	**Business Cases**
9.1	There were no Business Cases over £1m brought to the Finance Committee.
9.2	There were no Business Cases under £1m brought to the Finance Committee.
10	**Bid Process: Proposed Sign-off Levels**
10.1	The Finance Committee received and discussed the Finance Return to the Bid Process: Proposed Sign-off Levels report.
10.2	The Finance Committee approved the proposal for revised Bid sign-off levels as detailed in the Bid Process: Proposed Sign-off Levels report.
10.3	It was agreed that it would be sensible for bids up to £5m lifetime cost to be reported to but did not need to be approved by the finance committee.
10.4	**<u>Resolved:</u> that the Bid Process: Proposed Sign-off Levels report was approved.**
11	**Finance Committee Terms of Reference**
11.1	The Finance Committee received and reviewed the Finance Committee Terms of Reference.
11.2	Regarding the amendment to the administrative support to be provided by the Associate Director of Corporate Governance or their representative, it was noted that this post is currently under review and will be replaced with a Director of Corporate Services/Company Secretary. This will be amended as appropriate within the Committees terms of reference. **Action: Emma Farlow**
11.3	As the Finance Committee will formally oversee the monitoring of the Our Future Programme, it was requested that this be reflected in the Committee's terms of reference. **Action: Emma Farlow**
11.4	It was also suggested that there is a need for a conference call session to discuss the Our Future Programme Board mid-way between Finance Committee meetings and for the appropriate Executive to join if there are any major issues to be addressed. This should also be reported to the Board. **Action: Rob Keates**
11.5	**<u>Resolved:</u> that the Finance Committee Terms of References was reviewed and changes made will be reported to the Board**
12	**Finance Committee Annual Report 2010/11**
12.1	The Finance Committee received and reviewed the Finance Committee Annual Report 2010/11

12.2	It was agreed that it should include that the Committee's terms of reference have now been reviewed and amended. **Action: Emma Farlow**
12.3	**<u>Resolved:</u> that the Finance Committee Annual Report was approved subject to the requested change.**
13	**Finance Committee Annual Plan 2011/12**
13.1	The Finance Committee received and noted the Finance Committee Annual Plan 2011/12
13.2	The plan should be amended to include the conference call sessions which will be held mid way between the Finance Committee meetings as described in 11.4. **Action: Emma Farlow**
13.2	**<u>Resolved:</u> that the Finance Committee Annual Plan 2011/12 be noted.**
14	**Briefing Updates**
14.1	The Finance Committee received and discussed the e-learning package. The Finance Committee fully endorsed the roll out of the HFMA e-learning package to the appropriate people including all members of the Finance Committee.
14.2	The Finance Committee would recommend to the Board that this be completed by all members of the Board. A programme is to be put together so that individuals take the appropriate modules applicable to their role. **Action: Jackie Dunn**
15	**AOB**
15.1	It was noted that the innovation team is pursuing a number of options in respect of funding innovation projects.
15.2	It was agreed that this issue is to be discussed further at the Board meeting and therefore a paper should be tabled for the Board meeting. **Action: Ruth Rankine**

Hollie Campbell
Executive Assistant
July 2011