

Independent Trust Finance Facility (ITFF)

Minutes of the meeting held at Skipton House, 80 London Road, London, SE1 6LH

15 November 2013

Attendees:

Chairman George Alford (Independent)

ITFF Manager Nick Rose

Trust Panel Members: Associated Trust

David Clifford City Hospitals Sunderland (Independent ex Non Exec)

Vic Powell Sheffield Teaching

Archie Herron Oxleas

Brian Ford Royal Bournemouth

Roger Craven South Staffs & Shropshire (Independent ex Non Exec)

Nigel Ruff Rotherham (Independent ex Non Exec)

Richard Bell Bradford (Independent ex Non Exec)

David Fleetwood South Tyneside

Secretariat Organisation

XXXXXXXXX Department of Health

Observers Organisation

XXXXXXXXX Department of Health

Presenters Organisation

Jason Dorsett Monitor (items 4 & 5)

XXXXXXXXXX Monitor (items 4 & 5)

David Hill Monitor (item 4)

- 1) **Previous minutes and matters arising**
Minutes agreed. Chairman updated that recommendations of the last committee had been presented to Department of Health (DH).
- 2) **Managers Report**
None.
- 3) **Provider financing applications supported by NHS NTDA**
No applications.
- 4) **Provider financing applications supported by Monitor**
 - a) **Peterborough and Stamford Foundation Trust**

Recommendation		Part Approve (see below)
Add Revenue PDC requested in 2013-14		£4,152,000 (£41,400,000 YTD approved)
Add Capital PDC requested in 2013-14		- (£11,350,000 YTD approved)
Forecast Surplus/(Deficit) for 2013-14		(£41,100,000)
Surplus/(Deficit) 2012-13		(£39,400,000)
Revenue PDC provided in 2012-13		£44,100,000
Capital PDC provided in 2012-13		-
Reason for Revenue PDC request		<ul style="list-style-type: none"> i) £1,802,000 to support tendering process to explore options for Trust future configuration ii) £350,000 to support Peterborough Regional Steering Group iii) £2,000,000 to manage and drive further efficiencies in the trust
Reason for Capital PDC request		-
Repayment Conditions		None

Peterborough has seen recurrent deficits in recent years and this would continue without remedial action. The committee understood the requirement for the risk money for the tender process and how it would support the driving out of possible future structure options available for the trust to consider. Committee advises DH that the significant tender cost has been rigorously defended by Monitor. Application was supported.

The Peterborough Regional Steering Group (ii) funding was supported as a requirement in support of (i) to ensure that all interested parties buy in to the agreed re-configuration.

Committee members noted that the monies to drive efficiencies under (iii) was a two year programme, that would overlap the tender process. The Committee expressed a view that the costs appeared high in relation to the resources being deployed and

recommended a commitment to fund only the first six months management costs be approved at this time, with a view to reviewing progress on the initial tendering results and efficiencies achieved through the programme before any decision is taken to continue with the investment in the efficiencies programme. The committee expects to be involved in the review of tender outcomes at an early stage.

5) **Monitor presentation of Foundation Trust sector position**

Jason Dorsett (JD) updated the committee on the FT sector's requirements for financial support for 2013-14, reflecting that overall values have changed only marginally from initial forecasts for the year. Early casts of expected support for 2014-15 would be available to the committee by end of February 2014 and it is expected that these figures will be firmed up in May 2014.

The committee reflected that they would wish to understand the historic local support of Foundation Trusts when considering future applications for support of distressed trusts, to help assess the extent of the impact of regime change and the local economy pressures on the trust's financial position. JD reported that Monitor was working on developing that information.

JD concluded his presentation by discussing broadly the features of several applications that are being developed currently. Committee reflected that they are happy to see applications more than once if this helped mature the solution options being considered.

6) **Loan applications direct to DH by Foundation Trusts**

a) **Gateshead Health NHS Foundation Trust**

Recommendation		Approve
Existing Loans: Finance Leases		£ 199,291
FTFF		£22,000,000
Other DH		
New loan amounts requested		£ 2,500,000
Total exposure		£24,699,921
Estimated long term debt capacity		£56,150,237
Term		7 years
Rate		NLF
Repayment programme		Equal Instalments of Principal
Security Covenants		Negative Pledge
Purpose		To fund the purchase of X-ray equipment and associated works

The committee noted that although the trusts financial position had deteriorated, this loan was still affordable and was a sensible investment.

7) **AOB** None

8) Date of next meeting

The next meeting is to be held 4th December 2013 at Skipton House. Note there will then be a break over the festive season and the next meeting will then be on the 17th January, to be held in Quarry House, Leeds.