

**Minutes of the Investment and Workforce Committee**  
**Held on 29<sup>th</sup> March 2011 09:00 – 11:15**  
**In AD77, Maple House, East Surrey Hospital, Redhill**

<b>Present</b>	Richard Durban	RD	Non-Executive Director (Chair)	
	Edward Cooke	EC	Non-Executive Director	
	Ian Mackenzie	IM	Director of Information and Facilities	
	Joe Chadwick-Bell	JCB	Director of Strategy and Transformation	
	John Power	JP	Non-Executive Director	
	Michael Wilson	MW	Chief Executive	
	Paul Simpson	PS	Chief Financial Officer	
	Yvonne Parker	YP	Director of Workforce	
	<b>In attendance</b>	Julie Wells	JW	Head of Financial Planning (Minutes)

<b>1</b>	<p><b>WELCOME AND APOLOGIES FOR ABSENCE</b></p> <p>RD apologised that the official agenda was not circulated prior to the meeting and confirmed that in agenda and papers would be issued 5 days before the meetings.</p> <p>RD highlighted that the main purpose of this first meeting was to shape the Committee.</p> <p>RD introduced JW as secretariat and senior manager support to the Committee.</p>
<b>2</b>	<p><b>ROLES AND TERMS OF REFERENCE</b></p> <p>A detailed conversation took place on the purpose of the Committee and the Terms of Reference.</p> <p>In relation to specific points within the Terms of Reference (ToR) :</p> <p>Point 6.4.3 – IM asked about the approval process for capital projects with a value of over £1million responded that rather than take to the Board, Capital programmes of over £1million will come to this for approval (or to the Board if more urgent than the timing of these Committee meetings).</p> <p>All agreed that the Committee will not be approving project initiation documents.</p> <p><b>Action : PS to delete 6.4.4 of the ToR.</b></p> <p><b>Action : PS to correct the numbering within the ToR – 6.4.4 onwards.</b></p> <p>IM suggested that point 6.4.6 (ii) within the ToR is not practical. The Committee cannot manage pro suggested points (i) to (vii) be removed. All agreed.</p> <p><b>Action : PS to delete 6.4.6 (i) to (vii) in ToR.</b></p> <p>RD summarized that the Committee would sign off Capital project business cases &gt;£1million, monitor implementation of major projects (&gt;£2million) and gain assurance that projects are progressing. EC exception based reporting (with traffic lights).</p>

MW advised that any business cases >£1million that the Trust approves also have to be approved by the Capital Committee. The process with the SHA needs to be clarified, as is new and not yet entirely clear.

IM asked whether the Committee would be signing off outline business cases or full business cases. IM confirmed the Committee would be signing off both.

MW suggested that meeting bi-monthly was not often enough, and questioned whether the Committee should meet on demand or monthly? It was agreed to hold the next meeting in 4 weeks time. PS also stated that this Committee and the Board can sign off business cases, providing greater agility.

RD stated the Committee will look at the Capital Programme, and must be clear how the Capital Programme fits with the business plan of the Trust. It was discussed that the Committee must not get into the detail of the programme, with JCB concluding that the Committee's role is to be assured about, as opposed to managing the Capital Programme.

IM stated that the Theatres Capital project has already been approved by the Management Board and requires SHA approval.

**Action : IM to bring the MDU / ED and Main Entrance business cases to the next meeting for discussion.**

JP highlighted point 6.1 of the ToR – Business Planning – being a change to the original Terms of Reference. PS said that the Board signs off the Clinical Strategy and the Committee will scrutinise supporting plans and report to the Board.

JCB spoke about the Integrated Business Plan, and it was agreed that the Committee would receive and scrutinize the IBP and recommend approval of the IBP to the Board. PS also highlighted that the Committee will participate in the development of the IBP through approval of Strategies.

All agreed that the Clinical Strategy requires Board approval.

RD stated that on behalf of the Board, this Committee will review business plans, investment decisions and workforce to reduce the pressure on the Board, and allowing more time to be spent on those items that the meetings permit. Delegated authority from the Board has already been received.

EC suggested that 'Planning' was potentially more important in the Committee title than 'Investment'. A discussion took place, concluding that the Committee name will remain, with MW adding that Planning is an implicit function which underpins both Investment and Workforce.

Point 7.1.5 of the ToR – RD stated that the AAC is independent of all Committees, and if this Committee identifies weaknesses in the processes, the I & W Committee will tell the AAC (for them to pursue). PS highlighted the importance of the two-way communication between the Committees.

**3 WORKFORCE**



Upon reviewing the 2011/12 Capital projects, JP asked which projects did not get through for 2011/12. IM responded that there was an agreed process for approval, using a risk matrix and key criteria, and that projects that were approved did not support risk and strategy and were frequently aspirational wishlists.

IM confirmed that some of those rejected may get funded by the Friends of East Surrey, and the Trust will be working closely with them.

PS confirmed to the Committee that the Capital projects are paid for through :

- Depreciation charge to I & E (£5million) – non cash expenditure, funded as part of PbR tariff, with cash available to spend on Capital.

MW asked how the £5million compared to other Trusts. PS felt it was potentially lower, due to the current market valuation.

- Asset receipts (£3.7million) for Fairfield House and Kibblewhite (not yet sold).
- SHA Loan (£4.4million) – cash already spent in 2010/11, need SHA to give Trust money back. IM has confirmation from SHA that they are minded to do so, so have included for planning purposes.

PS highlighted that the Trust can use Revenue to buy Capital items, but is not allowed to use Capital for Revenue expenditure.

IM confirmed there are no current ongoing building projects.

Capital business cases >£1million need to be approved by the SEC SHA. MW advised that the Trust should get key projects through as soon as possible to avoid the bottleneck expected due to staff/resource shortage at the SHA.

MW also advised that Robert Gregory will be managing the Trusts capital bid through the SHA process.

PS stated that as CFO of the Trust, he was comfortable with, and gave assurance to the Committee on the capital process. Improvements were also noted since IM's involvement.

MW highlighted that the capital programme is likely to change, depending on the outcome of the Trust's financial modeling review.

RD asked whether the Trust could gain visibility of Crawley and Horsham's capital plans. MW responded that it may be clearer after 1<sup>st</sup> April as there will be a new structure in place.

MW confirmed that the Crawley site has urgent issues. PS confirmed that you can transfer your Capital Limit, though not directly to PCTs (a more complex process could be invoked with enough notice).

IM informed the Committee that there was a transformational workstream on SaSH's use of other sites and the organisation's use of our site.

PS stated that the Trust can exercise penalties in contractual arrangements (and did so for Crawley).

**9 ANY OTHER BUSINESS**

	MW fed back to the Committee on the recent meetings with the Department of Health.
<b>10</b>	<p><b>Date of next meeting</b></p> <p>Next bi-monthly meeting is set for 1<sup>st</sup> June 2011 1pm-3pm, though a meeting for in 4 weeks time is (Meeting now set for 28<sup>th</sup> April 2pm-4pm, Room AD65, Maple House)</p> <p><b>Any papers and apologies to <a href="mailto:julie.wells@sash.nhs.uk">julie.wells@sash.nhs.uk</a></b></p>

**Action Log of meeting 29/3/11**

<b>Action :</b>	<b>By :</b>	<b>Completed?</b>
Delete 6.4.4 of the ToR	Paul Simpson	
Correct the numbering within the ToR – 6.4.4 onwards	Paul Simpson	
Delete 6.4.6 (i) to (vii) in ToR	Paul Simpson	
Re-draft point 7.1.8 of the ToR	Yvonne Parker	
Bring the MDU / ED and Main Entrance business cases to the next meeting for approval.	Ian Mackenzie	
Produce the business planning timetable within the next 2 weeks and circulate for comments.	Joe Chadwick-Bell	
Change OD Strategy and Workforce Strategy approval to September	Paul Simpson	
Ensure consistent reporting of capital projects, with unique references for projects	Ian Mackenzie	