

**Minutes of the Investment and Workforce Committee – Part 1**  
**Held on 22nd December 2011 1:00 – 3:00pm**  
**In AD65, Maple House, East Surrey Hospital, Redhill**

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

<b>1</b>	<p><b>WELCOME AND APOLOGIES FOR ABSENCE</b></p> <p>Apologies were noted from Michael Wilson and Yvonne Parker. Janet Miller attended the Workforce section of the meeting in place of Yvonne Parker.</p>
<b>2</b>	<p><b>MINUTES OF THE PREVIOUS MEETING</b></p> <p>Minutes of the 30th November 2011 meeting Part 1 were approved as an accurate record.</p> <p>Actions from the 3<sup>rd</sup> November 2011 meeting were reviewed, and all noted as complete, with the exception of <b>Action 1</b> : To consider which capital projects (pre-dating the Committee) should come back to the Committee for a Post-Evaluation review. <b>Carried fwd.</b></p> <p>Minutes of the 30th November 2011 meeting Part 2 were approved as an accurate record. There were no actions from Part 2 of the meeting to review.</p>
<b>3</b>	<p><b>CAPITAL PROGRAMME AND ESTATES</b></p> <p><b><u>Capital Report : Month 8</u></b> IM talked through the Month 8 Capital report, highlighting :</p> <p><u>Endoscopy Project</u> – Was handed over on 2<sup>nd</sup> December 2011 – on time and under budget.</p> <p><u>Modular Ward</u> – On schedule to be handed over 14<sup>th</sup> February 2012.</p> <p>JP asked if the critical factors of whether the Capital Projects are <i>on time</i> and <i>on budget</i> could be summarised in the report.</p> <p><b><u>Action 1</u> : IM to add in whether Capital Projects were on time and on budget into the monthly Capital Report.</b></p>

EC asked whether the Budgets for the Capital Projects change monthly and if changes can be highlighted? IM confirmed budgets only change once the FBC is signed off and/or changes agreed by the Capital Group.

**Action 2 : IM to highlight any changes to capital project budgets in the monthly Capital report.**

### **Theatres Refurbishment FBC**

IM introduced the Theatres Refurbishment FBC, noting the OBC was approved by the Committee in April 2011. IM highlighted the original budget allocated is no longer sufficient, and the capital project now stands at £2.17million (£0.2million above the original budget allocated). IM confirmed the Trust would also be requesting an additional £3million capital funding for this project from the SHA to address all the Health, Safety, Fire and Infection Control Risks within all the Trusts' theatres at the East Surrey Hospital site.

PS confirmed the SHA are being supportive, and once this Committee has signed off the FBC, it will go to the SHA for their approval (including the additional £3million).

EC reviewed the economic analysis. PS confirmed that the 'Average Annual Revenue affordability plus Year 0' includes implementation costs in Year 0.

RD noted that the project is being funded out of 2011/12 and 2012/13 allocations. £0.7million this year and £1.5million next year. This needs amending in section 1.5.1 of the FBC.

JP noted the comment under the decant strategy on page 20 of the FBC, which states the "biggest challenge will be to change consultant surgeon and anaesthetists job plans to accommodate the change in the theatre templates". IM confirmed some of these staff do other activity in this time, such as private work etc. RD asked whether the consultants have signed off this FBC and committed to working weekends/evenings. IM answered that the consultants have not been asked, though the Theatres Manager has accepted responsible to make sure it works and the Chief of Surgery also supports the project.

RD asked whether if the SHA do not fund the additional £3million, would the Trust have to find the funding out of next year's capital allocation? IM confirmed we would, and that this project would take priority over other capital projects, such as the main entrances.

The Committee approved the Theatres Refurbishment FBC.

**Action 3 : IM to amend the capital costs by year of the project in section 1.5.1 of the FBC, then send the amended FBC to the SHA for approval and certainty around the additional £3million funding.**

### **West Entrances Redevelopment FBC**

IM introduced the FBC, highlighting the OBC was approved by the Committee in October 2011. IM confirmed that the capital cost of the project is now £1.85million, (following a competitive tender process) which is higher than the £1.79million reported in the OBC.

IM noted it will be a 2 phase approach – Phase 1 is the coffee shop and retail outlet by May 2012, and Phase 2 is the Pharmacy (in place of the Friends shop) by July 2012.

IM confirmed the business case has been shared with the SHA. The SHA have concerns around how the patients will access the site during the 18 week building period. IM stated that the Trust is mitigating their concerns, by ensuring patients can move smoothly from the East Entrance to the Outpatients department, and by offering portering and wheelchair support to Elderly and disabled patients. IM noted the SHA are coming on site in the 2<sup>nd</sup> week of January to walk the route.

IM stated that staff parking and visitor parking will be swapped in the future, to ensure patients and visitors use the new entrance.

RD noted the £112k income opportunity for the Trust. IM responded that some of this would be reinvested to staff a professionally manned reception.

EC highlighted the 23<sup>rd</sup> January 2012 start date of the contractor on site, and asked whether the SHA will have agreed by then? IM responded that the SHA will confirm by the middle of January 2012, after which there can be a two week turnaround, hence only a one week delay to the target start date.

The Committee approved the West Entrances Redevelopment FBC.

### **Unscheduled Care Addendum**

IM talked through the addendum to the Unscheduled Care FBC. IM highlighted the side rooms requirement has been reviewed and the Addendum is removing the side rooms project from the Unscheduled Care project and it will be looked at separately as a new capital project and out of 2012/13 capital funding (after the full analysis of the site has been completed).

IM confirmed the budget remains the same, and the overall Unscheduled Care Capital scheme (excluding side rooms) will be completed within the overall budget of £4.45million.

RD noted that there had been some infection control concerns around possible delay when the side rooms project had been absorbed into the overall Unscheduled Care project. IM noted that there are now additional side rooms in the hospital e.g. in the modular wards.

The Committee approved the Unscheduled Care Addendum.

## 4 WORKFORCE

### **2012/13 Workforce Plan**

Janet Miller joined the meeting and talked through the Workforce Development Plan 2012-2015. JM noted that the Workforce Plan is traditionally 5 years, however due to the radical change expected within the NHS landscape and SaSH within the next 5 years, it was agreed 3 years was a sensible end point.

JM confirmed the SHA are scrutinising our Workforce Plan to ensure it is clinically led and fits with the Clinical Strategy.

The Committee reviewed the WTE Plan on page 25 of the Workforce Plan, which showed the Budgeted WTE establishment by staff type, together with Indicative WTE reductions from the savings plan and WTE investments relating to additional activity and cost pressure funding.

It was suggested that the table was simplified and that the following elements were added to the report :

- cuts by Division, role, grade, temporary staff, and full time versus part time staff
- a specific section showing medical staffing, nursing/HCA and midwives/assistants numbers, ratios etc
- a summary showing the key themes being addressed e.g. upskilling roles to take on additional responsibilities.

### **Action 4 : JW to work with Finance to review the WTE calculations and to work with HR to review the headings and presentation of the WTE table in the Workforce Plan.**

PS confirmed there is joint working between HR and Finance and the Workforce Plan will connect to the Financial Plan.

PS also confirmed that every vacancy is reviewed by the Executive Directors for signoff and approval.

RD noted the Workforce Plan includes various national and local drivers, and is about ensuring the Trust has the right type and number of people in the right place at the right time. RD confirmed the external pressure for the Trust to reduce costs by 5% and by implication staff numbers by c.5%. JM confirmed in headcount terms, the Trust currently has about 3,408 staff in post.

PS stated the Business Planning approach the Trust is taking includes increasing activity, increasing capacity (to support 18 weeks sustainability), reducing costs by £10million, increasing productivity and partnership working. Therefore confirming the WTE reduction will partly be offset by WTE investment.

The Committee reviewed the Workforce by Agenda for Change banding chart on page 18 of the Workforce Plan. PS highlighted that our chart 'bulges' out at Band 5's and does not look like the typical Christmas tree effect. JM added that Agenda for Change was partly to blame for the banding issue. EC asked whether Consultants are included and whether we can compare our chart to other Trusts. JM responded that she will check whether Consultants are included, and will ask other HR Trust leads if they will share their charts as they are not published documents.

**Action 5 : JM to confirm whether Consultants are included in the Agenda for Change banding chart, and to liaise with other HR leads to compare our chart to other Trusts.**

RD asked what the Trust's policy was regarding the rebalancing of grades? PS responded it is dependant on the market for staff, for example, there is a national shortage of Sonographers, which means that we are having to grade upwards to recruit. JCB requested the Sonographers issue to be added into the text within the Workforce Plan.

JCB confirmed that the Workforce Plan will be submitted at the end of December 2011 as part of the TFA submission, and the WTE figures will also form part of the SHA Planning submission on the 6<sup>th</sup> January 2012.

**Action 6 : JM / YP to update Workforce Plan with any changes by the end of December 2011.**

JCB congratulated HR on producing a comprehensive Workforce Plan, recognizing a significant amount of work and thought that had gone into it.

#### **PCT Assurance Report**

The Committee reviewed the PCT Assurance Report. JM stated the Trust is classified as Red overall, however noted that no NHS Organisations within the SHA are Amber or Green.

RD highlighted the comment on page 5 "The Workforce and Investment Committee oversee and monitor aspects of productivity workstreams on behalf of the Board" and recommended that this gets amended to the Management Board as opposed to the Workforce and Investment Committee. All agreed.

**Action 7 : JM / YP to amend the wording at the bottom of page 5 to Management Board not Workforce and Investment Committee.**

RD talked about Training and the need for a clear plan for 2012/13 and requested that the Committee receives a clear view of resource allocation (in terms of time and money) and training plans for the next year, when available within the Workforce Strategy.

## 5 BUSINESS PLANNING

### **2012/13 I & E Position and SaSH Savings Plan Update**

PS talked through the '2012/13 Business Planning – first cut financial plan' paper, highlighting a current planned deficit of £16.3million for 2012/13, after the inclusion of a 5% efficiency target of £10million.

PS stated that the Income assumption takes into account 1.8% tariff reduction, together with £10million of additional activity (Elective and Outpatients to meet 18 weeks sustainability). PS noted the additional income has additional costs and links to the workforce figures, as previously discussed.

PS added that the financial plan includes productivity pressures on Medicine (no escalation) and Surgery (no additional beds).

PS confirmed the Divisions have been set a 5% savings target (totally £8.3million), with the balancing £1.7million (of the £10million) being held centrally at present.

PS stated the Trust has a recurring deficit of £12.3million.

PS concluded that over the next few weeks he will be producing bridge charts and will also understand the financial impact to the Trust of road test tariff priced activity.

The Committee noted the £16.3million deficit for 2012/13 which will be submitted as part of the first cut financial plan to the SHA on 6<sup>th</sup> January 2012.

PS talked through the '2012/13 Savings Plan – Interim Report' highlighting that as of 20th December 2011 KPMG have identified savings opportunities of between £4.3million and £6.9million. PS confirmed that KPMG are confident that by the 27<sup>th</sup> January 2012 they will have a £10million savings plan scoped.

PS noted that the current list of savings opportunities includes 116 items – consisting of our internally generated ideas and their ideas, and stated that he felt that they had approached it in a practical and sensible way. RD emphasised the need to apply the 80/20 rule to the 116 opportunities.

RD suggested that the 2012/13 Savings plan will be a regular standing agenda item. All agreed.

**Action 8 : JW to ensure 2012/13 Savings Plan is a standing agenda item.**

### **Sash Future Organisational Form Update**

JCB confirmed that the 'Strategic Modeling Options' paper will be submitted on Friday 30<sup>th</sup> December 2011 as part of the TFA process. Financial modeling will be carried out on the options in January and February 2012.

	<p>JCB confirmed the 'Strategic Modelling Options' paper went to the TFA Board on the 21<sup>st</sup> December 2011. Any comments for amendments are due back by Wednesday 28<sup>th</sup> December, for amendment prior to the 30<sup>th</sup> December 2011 submission.</p> <p>JCB confirmed the TFA Board went through the Executive Summary line by line to ensure all were in agreement.</p> <p><b>Action 9 : Any Comments on the 'Strategic Modelling Options' paper to be given to JCB by Wednesday 28<sup>th</sup> December 2011.</b></p>
<b>6</b>	<p><b>ANY OTHER BUSINESS</b></p> <p><u>Risk Register</u> RD requested that the top level of the non clinical areas of the Risk Register comes to the March meeting – for assurance purposes.</p>
<b>7</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Next meeting is scheduled for 1<sup>st</sup> February 2012 2pm-4pm AD77.</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 : Meeting 30/11/11 C/fwd**

<b>Action :</b>	<b>By :</b>
<b>Action 1</b> : To consider which capital projects (pre-dating the Committee) should come back to the Committee for a Post-Evaluation review.	Ian MacKenzie and Paul Simpson
<b>Meeting 22/12/11</b>	
<b>Action 1</b> : To add into the Monthly Capital Report whether Capital Projects were on time and on budget.	Ian MacKenzie
<b>Action 2</b> : To highlight any changes to capital project budgets in the monthly Capital report.	Ian MacKenzie
<b>Action 3</b> : To amend the capital costs by year of the project in section 1.5.1 of the Theatres Refurbishment FBC, then send the amended FBC to the SHA for approval and certainty around the additional £3million funding	Ian MacKenzie
<b>Action 4</b> : To work with Finance to review the WTE calculations and to work with HR to review the headings and presentation of the WTE Plan table within the Workforce Plan.	Julie Wells
<b>Action 5</b> : To confirm whether Consultants are included in the Agenda for Change banding chart, and to liaise with other HR leads to compare our chart to other Trusts.	Janet Miller / Yvonne Parker
<b>Action 6</b> : To update the Workforce Plan with any changes by the end of December 2011.	Yvonne Parker

<b>Action :</b>	<b>By :</b>
<b>Action 7</b> : To amend the wording at the bottom of page 5 of the PCT Assurance report to Management Board not Workforce and Investment Committee	Janet Miller / Yvonne Parker
<b>Action 8</b> : To ensure 2012/13 Savings Plan is a standing agenda item.	Julie Wells
<b>Action 9</b> : Any Comments on the 'Strategic Modelling Options' paper to be given to JCB by Wednesday 28 <sup>th</sup> December 2011.	All