

TRUST BOARD IN PUBLIC	Date: 26 February 2014 Agenda Item:
REPORT TITLE:	Finance & Workforce Committee Chair Update
NON EXECUTIVE SPONSOR:	Richard Durban (Non-Executive Director and FWC Chair)
REPORT AUTHOR:	Paul Simpson (Chief Financial Officer)
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)	No – Board update
Purpose of the Report and Action Required:	
<p style="text-align: right;"> Approval Discussion Information/Assurance <input checked="" type="checkbox"/> </p>	
Summary: (Key Issues)	
<p>The Finance and Workforce Committee met on the 25th February 2014. The meeting was observed by 2 members of the TDA. Key points from the meeting were as follows:</p> <p>Finance Performance M10</p> <ul style="list-style-type: none"> The M10 Finance Report was presented. The Trust has a small YTD surplus and is forecast a small surplus at year end. <p>Workforce Performance M10</p> <ul style="list-style-type: none"> The M10 workforce report discussions focused on recruitment to vacant posts and appraisals. <p>Capital Report M10</p> <ul style="list-style-type: none"> The M10 Capital paper was reviewed. It assured the Committee that the programme on plan. <p>Business Planning & Business Cases</p> <ul style="list-style-type: none"> The Committee discussed the Electronic Patient Record (EPR) Outline Business Case. The Business Case was approved and the project now moves on the procurement and full business case phase. The Committee approved the funding of the EPMA addendum to ensure the project has 7/24 business continuity. 	

Relationship to Trust Corporate Objectives & Assurance Framework:
This Board sub-committee supports the achievement of all Trust objectives but of specific relevance is: Priority 4: Develop an effective organisation.

Corporate Impact Assessment:	
Legal and regulatory implications	<p>The FWC reviews assurance in respect of workforce, capital and investment projects, business planning (which includes financial planning) and cash aspects. Employment law: laws governing the rights of individuals and terms and conditions terms include: National Minimum Wage Act 1998; the Working Time Regulations 1998; Employment Rights Act 1996; Equality Act 2010; Employment Rights Act 1996, and; the Transfer of Undertakings (Protection of Employment) Regulations 2006. Other key laws affecting employees include the Pensions Act 2004 and the Trade Union and Labour Relations (Consolidation) Act 1992.</p> <p>Financial performance is subject to Schedule 5 of the NHS Act 2006 which provides the “breakeven duty”. Legal aspects related to capital works will depend on the nature of the works.</p> <p>The main regulators, are as follows:</p> <ul style="list-style-type: none"> • External audit (the Audit Commission for this Trust) give an opinion on the Trust’s compliance with International Financial Reporting Standards and with NHS accounting conventions – this is not purely financial and deals with procurement, fraud, transparency and legal duties. It also gives a Value for Money Conclusion on the Trust’s ability to put in place arrangements to deliver economy, efficiency and effectiveness in its use of resources. • The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services
Financial implications	The report provides assurance about savings, capital spend and the structure of the business planning process.
Patient Experience/ Engagement	Indirect impact through Trust planning and workforce.
Risk & Performance Management	The committee, and this report, provides assurance about workforce and capital management.
NHS Constitution/ Equality & Diversity/ Communication	No relevant aspects
Attachments: paper	

Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 25th February and it was quorate. The meeting was observed by Richard Boyce and Suzanne Cliffe from the TDA. The key points from this meeting were as follows:

Finance Performance M10

The Committee received the report with the following highlights:

- As at month 10 the Trust had a small surplus YTD.
- The outturn forecast is a small surplus for 2013/14
- Savings are still doing well.

No issues were raised at the Committee for discussion at Board, but the following points were noted:

- The Trust underlying deficit has got worse. Trust is experiencing pressure from expenditure in the divisions, particularly in CSS. This has been offset by an increase in Trust income, particularly in December and January.
- The risks to the Trust year end position are the readmissions audit, which is now in mediation with the TDA and NHS England, and the NEL threshold, where we are in formal correspondence with the CCGs.
- The liquidity ratio looks like it has got better but this is due to capital cash that has been drawn down but not yet spent. The BPPC is the only rating that is red, as we continue to manage our working capital. An invoice has been raised and sent for the cash relating to the £3.5m financial support. Until it is received the Trust is still using its £5.5 temporary borrowing loan

Workforce Performance M10

The Workforce performance report was presented. No issues were raised at the Committee for discussion at Board, but the following points were noted:

- Recruitment is going well across the divisions
- The number of Appraisals completed is largely on track. The Committee discussed the need to focus on the quality of appraisals and to ensure that senior grades had appropriate targets and that behaviours were assessed as well as performance. This focus tied in with the GE development work

Capital Report M10

The month 10 Capital report was presented and the Committee were assured that the Capital programme is on track.

Business Planning & Business Cases

Electronic Patient Records (EPR) The Committee discussed and approved the Outline Business Case (OBC) for the EPR system, which needs to be replaced by October 2015. The discussion focused on minimising the risks associated with replacing a core system and the opportunity to realise patient and financial benefits. The approval to proceed to procurement and a Full Business Case (FBC) on the basis of Option 2 was agreed as this was a like for like replacement of existing functionality. However it was agreed that the FBC would have an additional section on benefits, fully involve clinical staff, take an overall IT programme view to ensure that this key project had adequate capability and capacity deployed and would clarify the exit costs from the current contract.

EPMA The Committee discussed and approved the addendum to the business case and to procure the 7/24 functionality to allow us to move forward with this project. The Committee noted that it was a year since the FBC had been approved and requested that an implementation plan come to the next meeting along with the FBC updated to reflect the addendum. The Committee noted that the roll out of this project needed to be dovetailed with that of the EPR and would form part of the overall assessment of IT capacity and capability.