

<b>TRUST BOARD IN PUBLIC</b>	<b>Date: 26 SEPTEMBER 2013</b>
	<b>Agenda Item: 5.1.2</b>
REPORT TITLE:	<b>Finance &amp; Workforce Committee Chair Update</b>
NON EXECUTIVE SPONSOR:	<b>Richard Durban (Non Executive Director and FWC Chair)</b>
REPORT AUTHOR:	<b>Paul Simpson (Chief Financial Officer)</b>
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)	No – Board update
<b>Purpose of the Report and Action Required:</b>	
<p style="text-align: right;"> <b>Approval</b>  <b>Discussion</b>  <b>Information/Assurance</b> <input checked="" type="checkbox"/> </p>	
<b>Summary: (Key Issues)</b>	
<p>The Finance and Workforce Committee (previously the Investment and workforce Committee) met on the 28<sup>th</sup> August 2013 (the minutes are for information among the Board's papers). Key points from the meeting were as follows:</p> <p><b>Terms of Reference</b></p> <ul style="list-style-type: none"> <li>• With the new responsibilities reviewing the detail Finance Report, the committee reviewed and agreed revised draft ToRs (submitted to the Board at this Board meeting).</li> </ul> <p><b>Finance Performance Report</b></p> <ul style="list-style-type: none"> <li>• The summary of the report is presented in the Integrated Performance Report. No additional issues were raised at the Committee for discussion at Board.</li> </ul> <p><b>Workforce</b></p> <ul style="list-style-type: none"> <li>• M03 workforce KPI's were reviewed. Although indicators were currently positive about the recruitment programme for new nurses the Committee discussed the level of risk around the savings (and quality) targets for agency reduction. This would be reviewed at the next meeting.</li> </ul> <p><b>Capital &amp; Estates</b></p> <ul style="list-style-type: none"> <li>• The M04 capital paper was reviewed. It assured the Committee that the programme on plan.</li> <li>• However, tenders for Phase 2 of the theatres project will be a month later than originally intended. The Project Group has advised that this will not impact on the overall timetable for the build.</li> <li>• The Committee reviewed assurance over TDA finding of the Theatres Stage 2 Project.</li> </ul> <p><b>Business Planning</b></p> <ul style="list-style-type: none"> <li>• The Committee noted (but also agreed with) the timetable for 2014/15 Business Planning and the Trust's draft Corporate Business Cycle.</li> </ul>	





**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:**

<p><b>Legal and regulatory implications</b></p>	<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"> <li>• 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.</li> <li>• The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services</li> </ul>
<p><b>Financial implications</b></p>	<p>The report provides assurance about savings, capital spend and the structure of the business planning process.</p>
<p><b>Patient Experience/ Engagement</b></p>	<p>Indirect impact through Trust planning and workforce.</p>
<p><b>Risk &amp; Performance Management</b></p>	<p>The committee, and this report, provides assurance about workforce and capital management.</p>
<p><b>NHS Constitution/ Equality &amp; Diversity/ Communication</b></p>	<p>No relevant aspects</p>
<p><b>Attachments: paper</b></p>	

## Finance & Workforce Committee Chair Update

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<b>Date</b>	26 September 2013 (F&WC was on 28 August 2013)
<b>Author</b>	Paul Simpson (CFO)
<b>Audience</b>	Trust Board Members

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The **key points from the last F&WC meetings** are as follows:

The Finance and Workforce Committee (previously the Investment and workforce Committee) met on the 28<sup>th</sup> August 2013.

### **Terms of Reference**

The Committee received the revised terms of reference for the Finance & Workforce Committee which takes account of the Board's request to review the detail monthly Finance Report. The Committee's focus remains on the strategies, annual plans, investments and KPIs of areas which support the Clinical and Quality strategies, notably Workforce, IT and Estates. To ensure a strong link both the CMO and Chief Nurse are members of the FWC.

Work was in progress to ensure that the responsibilities of all Board sub committees complimented one another.

### **Finance Performance Report (M04)**

The Committee received the report. The summary of the report is presented in the Integrated Performance Report. No additional issues were raised at the Committee for discussion at Board, but the following points were noted:

- the Trust had written to the TDA about the £5.5m non-recurrent funding issue, and was waiting for a response;
- savings plan performance showed a step change improvement from the inclusion of benefits from the much reduced level of elective outsourcing (now sustained for 3 months).

The more detailed savings paper was considered. There was discussion about the contingencies around non-delivering savings (noting that the forecast outturn allowed for some slippage). In some areas (eg: pathology) contingency was already clear, in other areas it was not, but Divisions were being expected to manage the position against their commitment. Although the forecast had assumed some non-delivery the expectation remained that contingency would be found.

### **Workforce**

The Committee noted the month 3 report. Although indicators were currently positive about the recruitment programme for new nurses the Committee discussed the level of risk around the savings (and quality) targets for agency reduction. This would be reviewed at the next meeting.

Workforce KPIs form part of the Integrated Report to the Board, the Finance Report and the report to the FWC. It was agreed to review Workforce reporting to ensure appropriate information and commentary is provided to the FMC for it to obtain assurance.

### **Capital & Estates**

The Committee received the M04 capital paper and a separate report from the Theatres Project group. The latter advised that the tenders for Phase 2 of the project

will be a month later than originally intended. The Project Group has advised that this will not impact on the overall timetable for the build.

The TDA had provided more comfort on funding for the Theatres Stage 2 project – the main issue was the timing of the decision and the confirmation whether funding would be via a loan or PDC funding.

### **Business Planning Timetable & Business Planning Cycle**

The Committee received a paper on the annual Business Planning Timetable and Corporate Business Cycle. The plan contains checkpoints to allow for RAG rating and so more assertive management of Divisions falling behind the timetable. The Committee agreed with the stated timetable (noting that Board input and approved dates and overt links to strategies should be added to it) and noted the earlier start of the process this year.

The Committee were informed that the revised long term financial model included a reduction in the level of savings for 2014/15 compared to previous versions – efficiencies and cost improvements would be set at £11.0m, which the Committee considered more achievable than the original estimate of £16.0m.

[END]

