

Minutes of the Finance and Workforce Committee
Held on 28th January 2014 3.30pm - 6pm
In AD77, East Surrey Hospital, Redhill

Present

Richard Durban	RD	Non-Executive Director (Chair)
John Power	JP	Non-Executive Director
Richard Congdon	RC	Non-Executive Director
Alan Hall	AH	Non-Executive Director
Alan McCarthy	AM	Trust Chairman
Paul Simpson	PS	Chief Finance Officer
Ian Mackenzie	IM	Director of Information and Facilities
Fiona Allsop	FA	Chief Nurse
Yvonne Parker	YP	Director of Human Resources

In attendance

Bill Kilvington (part meeting)	BK	Associate Director Women & Child Health and Cancer Services
Val Thompson (part meeting)	VT	Interim Programme Manager (FT Application)
Catriona Tait	CT	Head of Service Line Reporting

1	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p>Apologies: Gillian Francis-Musanu, Des Holden and Michael Wilson.</p> <p>There were no declarations of interest.</p>
2	<p>MINUTES AND ACTIONS OF THE PREVIOUS MEETING</p> <p>The minutes of the 7 January 2014 meeting were approved as an accurate record of the meeting.</p> <p><u>Review of Actions</u></p> <p>The action tracker was presented and the following actions were discussed:</p> <ul style="list-style-type: none"> - Estates small maintenance jobs – deferred to February meeting - Communications Strategy – deferred to the March meeting - Workforce KPIs/Performance Reporting needs to be rationalised across the Board, SQC and FWC. In addition the content needs to be reviewed in light of the new management sub-committee structure and “safe staff” reporting. F Allsop, Y Parker and R Durban to meet and agree the new reporting regime. - Workforce Strategy – Y Parker ran through the changes to the strategy since the December meeting. The strategy was approved subject to any responses provided to Y Parker by the 3rd February 2014. - Estates Strategy – I Mackenzie ran through the changes to the Estates Strategy as summarised on page 26. J Power commented that the strategy required more robust

	<p>reference to the Clinical Strategy. I Mackenzie agreed to change the 2nd paragraph to ensure this was clear. R Durban asked that the increased emphasis on maintenance is reflected in the IBP and that the tables are consistent between the strategy document and the IBP/LTFM. The strategy was approved subject to any further responses provided to I Mackenzie by the 3rd February 2014.</p> <ul style="list-style-type: none"> - IT Strategy – I Mackenzie ran through the changes in the IT Strategy. R Durban will discuss with P Bostock about the requirement for a Use of Information Strategy. The discussion focused of the requirement of the Trust to replace the Electronic Patient Record (EPR) system. This needs to be replaced by October 2015 and the cost sits with the Trust. The business case for EPR will be coming to the February 2014 FWC meeting. The strategy was approved subject to any responses provided to I Mackenzie by the 3rd February 2014. - Linear accelerator – I Mackenzie had received an email from Royal Surrey County Hospital (RSCH) regarding the delays to the Linear Accelerator build. They are confident that nobody will have had their appointment changed as a result of the delays although the committee noted that patients that would have had treatment at ESH will have to continue to travel to Guildford. I Mackenzie then reported that that there were some snagging works that need to be completed before the contractor hands the building over to RSCH and it now looks like the end of July before the building will be in use. M Wilson has spoken to the CEO at RSCH to express our concerns over the impact of patients on our site. Further progress to be reported to the next meeting.
<p>3</p>	<p>BUSINESS PLANNING</p> <p>Noting the draft nature and commercial considerations of the Integrated Business Plan, discussion was recorded for the Part 2 minutes.</p>
<p>4</p>	<p>FINANCE</p> <p><u>Financial Performance M09 and CIP Update</u></p> <p>P Simpson presented the M09 Finance Report. He highlighted the following in the report:</p> <ul style="list-style-type: none"> - The risk of CQUIN is reduced as the Quality team have agreed the achievement of CQuins with the CCGs. - M Wilson was currently meeting CCGs regarding the final Chief Officer Escalation meeting about the readmission audit dispute. - The Divisions are maintaining their control totals. - The CCGs have not been paying their over performance invoices which impacts the Trusts cash position. P Simpson is in discussion with the Chief Financial Officers (CFOs) of the CCGs to resolve this. - Overall the Trust is performing to plan. Savings are on target - there are still risks from spend related to emergency admissions and consequent elective outsourcing - Overall the main risk was around income. <p>R Congdon asked about the excess cost of locum Radiographers of £500k. P Simpson confirmed that this is correct, and most of this spend relates to one person who will finish soon.</p> <p>A McCarthy queried if we still need the £3.5m noting the income position and P Simpson responded that, yes we did, and the forecast included this £3.5m. The Trust expected to get</p>

	<p>permission to invoice for this next week.</p> <p>A McCarthy then queried the T&O overspend. P Simpson stated that there had been issues in T&O which meant that more work had to be outsourced in December. Outsourcing is a cost neutral activity but does not make a contribution to the Trust overheads, and this outsourcing had not been taken into account in the original forecast, so it provided a pressure. Overall the Trust is still doing very well on reducing its outsourcing and P Bostock and P Simpson are agreeing a mitigation plan with regards T&O.</p> <p>J Power commented that agency rates were still high. P Simpson replied that Nursing Agency is showing visible signs of improvement over the last few months with the exception of Theatres and ITU. A Hall said that the pay costs for M09 were the highest they had been but P Simpson said that the costs were distorted as other items such as redundancy costs that had been included for the first time in month.</p>
5	<p>WORKFORCE</p> <p><u>Workforce Performance Reporting M09</u></p> <p>The Workforce Performance report was presented by Y Parker and accepted by the Committee. A Hall asked about the safe staffing levels report and F Allsop confirmed that a paper was going to the Board meeting in 2 days' time.</p>
6	<p>CAPITAL</p> <p><u>M09 Capital Report</u></p> <p>The Capital report was presented by I Mackenzie and accepted by the Committee.</p>
7	<p>BUSINESS CASES</p> <p><u>Managed Print Services (MPS) OBC</u></p> <p>P Simpson presented the MPS OBC highlighting that the OBC is requesting a mini procurement to look at the potential savings. Currently 75% of the savings identified are achieved through VAT and the HMRC contracted-out servicing rules and if this was not allowed then the savings would be reduced.</p> <p>A Hall asked on what basis would we be charged and P Simpson confirmed it is on a volume basis. A Hall queried that the OBC did not include clear information about the consumption of print services. And the committee noted that the FBC would need to include explicit efficiency and usage savings.</p> <p>The OBC was approved and provides permission to tender and develop the FBC.</p> <p><u>McMillan OBC</u></p> <p>B Kilvington presented the McMillan Centre Outline Business Case (OBC) paper. The Trust is proposing that, in partnership with McMillan Cancer, a Cancer Information Centre is built opposite the East Entrance of East Surrey Hospital. The total building cost of the project is £1.65m with</p>

	<p>McMillan providing £1.2m and initial financial support for the centre manager.</p> <p>J Power agreed that this project will provide a much needed service but had the following questions:</p> <ol style="list-style-type: none"> 1. As some of the patients using the centre are RSCH patients could they contribute to the cost of the centre? 2. Who carries the financial risk of the project? <p>B Kilvington replied that all the patients using the project will be from our local population and that the commitment from McMillan for the building costs is £1.2m and anything above that is the responsibility of the Trust.</p> <p>A McCarthy sought confirmation that this is not a service that is commissioned. I Mackenzie confirmed that it was not but if we do not develop such a centre on our site we risk losing activity as patients choose to have their treatment elsewhere where these services are available.</p> <p>A Hall asked about the constructs of the partnership and the long term financial impact on the Trust. P Simpson confirmed that it will be a donated asset, so it will belong to the Trust McMillan will have no control over the building but there will be a legal service agreement with McMillan regarding its use. The Full Business Case (FBC) and the Procurement process will give us the assurance.</p> <p>R Durban asked about the management hierarchy. B Kilvington said that the Centre manager will be a Trust member of staff, managed by the Cancer Directorate.</p> <p>The committee queried the level of demand that would be created and how this would be managed. R Durban noted that the red risk against design changes would need to be mitigated in the FBC.</p> <p>The Committee approved the OBC and gives permission to tender and develop the FBC.</p>
8	<p>ANY OTHER BUSINESS</p> <p>R Durban confirmed that the workplan of the Committee for the next year is in progress.</p>
9	<p>DATE OF NEXT MEETING</p> <p>Tuesday 25th February 2014 3.00pm – 5.00pm AD65</p>