

REPORT TITLE:	Finance & Workforce Committee Chair Update	
EXECUTIVE SPONSOR:	Paul Simpson (Chief Financial Officer)	
REPORT AUTHOR:	Richard Durban (Non-Executive Director and FWC Chair)	
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)	No – Board Update	
Action Required:		
Approval ()	Discussion ()	Assurance (√)
Summary of Key Issues		
<p>The Finance and Workforce Committee met on the 26th August 2014. The key points from the meeting were as follows:</p> <p>Business Case Investment</p> <ul style="list-style-type: none"> The Committee approved the EPR FBC(which is now submitted to TDA for final approval). <p>Financial, Workforce, Capital and IT M04 performance reports</p> <ul style="list-style-type: none"> M04 reports were received for Finance, Workforce and Organisational Development, Capital and IT. On Finance the Trust has performed on plan, with a deficit of £2.1m for M04 2014/15 – describing a £0.7m surplus in month 6 with confirmed risks. The Theatres project is being delayed by two months but is still expected to come in on budget. 		
Relationship to Trust Strategic Objectives & Assurance Framework:		
<p>SO2: Effective - Deliver effective and sustainable clinical services within the local health economy</p> <p>SO4: Responsive – Become the secondary care provider and employer of choice for the catchment populations of Surrey & Sussex</p> <p>SO5: Well - led</p>		

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 Grant Thornton for this Trust) gives 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. <p>The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services</p>
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	
Attachments:	
Report paper	

TRUST BOARD REPORT – 28th August 2014 Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 26th August and it was quorate. The key points from Part 1 were as follows:

Business Case Investment

The Committee received and approved the Full Business Case (FBC) for the Electronic Patient Record (EPR) development.

The Committee was advised that approval for the strategic outline case and outline business case had been received from the TDA. The discussion had at the Outline Business Case (OBC) stage was repeated noting that the driver for the case was a result of the cessation of contracts held by the Department of Health (DOH) for its national IT programme. This effective decentralisation will result in extra revenue and capital charges for this Trust of approximately £2m pa. The Committee noted the addition of further description of benefits in the FBC document, but explored further whether the additional cost could be mitigated.

The lowest risk option had been approved for procurement at OBC in February. That was acknowledged and it was noted that it didn't prevent implementation of enhancements later. No changes were recommended to the option presented and the FBC was approved.

Financial, Workforce, Capital and IT M04 performance reports

The month 4 Finance, Workforce and Organisational Development, Capital and IT performance reports were presented to the Committee:

- Finance: The Trust is on plan for M04 2014/15, with a £2.1m deficit year to date and a £0.7m surplus in M04. The cost improvement plan has been revised removing risk leaving a small full year risk of 900K. Adjustments to budgets will be taking place in M05 to take account of these changes. East Surrey CCG has settled payment for 2013/14 resulting in £400K cash for the Trust. Divisional overspends are as a result generally of additional non elective activity and some specific issues such as the Maternity Pathway. There is a specific issue over consumables in the Surgical Division that is being investigated
- The Workforce & Organisational Report consisted of the regular KPIs, an update on the Training & Organisational Development Annual Plans for 13/14 and 14/15 and a status report of the action programmes within the Workforce/OD Strategy. The Committee welcomed the status report but suggested it contained a clear sense of progress or otherwise eg red/green rating. The Committee also suggested that the Trust focus on areas of high staff turnover and its causes. The Chief Nurse highlighted that lower banded staff will naturally have a higher turnover due to promotion opportunities.
- The Capital & Estates and IT reports were presented and noted. The Committee noted the approximate 2 month delay to the completion of the Theatre project and received assurance that the extra cost is within the contingency and will not increase the total cost of the project.

PACS/RIS Post Implementation Review

The Committee was informed of the reasons for the continuing delay in the presentation of the final report. The CEO would review the draft which would come to the September FWC.

[END]