

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 29th July 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 Cardiology Angiography FBC subject to receiving capital funding. • A report was received on the EPMA BC Benefits. This prompted a general discussion around IT enabled efficiency benefits. <p>Financial, Workforce, Capital and IT M03 performance reports</p> <ul style="list-style-type: none"> • M03 reports were received for Finance, Workforce and Organisational Development, Capital and IT. • The Trust has performed on plan, with a deficit of £2.8m for M03 2014/15. A Q1 forecast will be discussed at the Private Board on 7th August. • The Committee received a report from the Medical Director on the Clinically-led GE work outlining benefits to date and future challenges and plans. <p>General</p> <ul style="list-style-type: none"> • Part 2 reports were received and discussed around MSK, the Pathology Joint Venture, Service Line Reporting and Service Efficiency. 		
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 – 7th August 2014 Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 29th July and it was quorate. The key points were as follows:

Business Case Investment

The Committee received the FBC for the Cardiology Angiography Development. The Committee was advised that the CCGs had received a submission describing the NHS income but had not yet responded. The business case is dependent on the recruitment of the required nursing staff and the loan application for the Capital funds being successful. The business case was approved, subject to the Capital Loan fund being approved.

The Committee also received an update on the benefits from the EPMA development. It noted the safety benefits from the investment but also that the productivity gains are small amounts of time to many individuals and as such cannot be converted into staff or financial savings. The Committee commented that the benefits from other large scale IT projects were also in terms of safety and low risk replacement of functionality rather than productivity gains. It noted that the EPR FBC was tasked to include efficiency gains and that all future IT business cases need to be using IT as an enabler to change processes and gain productivity.

Financial, Workforce, Capital and IT M03 performance reports

The month 3 Finance, Workforce and Organisational Development, Capital and IT performance reports were presented to the Committee:

- The Trust is on plan for M03 2014/15, with a £2.8m deficit at M03. The forecast outturn is being revised and will be discussed at the private Board on 7th August. Divisional and agency overspends are largely due to the continuing high level of activity that the Trust is experiencing.
- The Workforce & Organisational Development Report was received and accepted together with an update from the Chief Nurse on nursing recruitment. The Chief Nurse advised the Committee that she is confident that the Trust will recruit at least 70% of the c 250 nursing staff required this financial year.
- The Committee received an additional report from the Medical Director on “SASH Plus” - the GE supported Organisational Development work (moving to a “clinically led, managerially enabled” organisation) that the Trust has been working on for the last year. Many positive outcomes have resulted eg definition of values and behaviours and clinical input into strategic actions. The challenge is to maintain momentum and further embed the gains made. With this in mind a network of change champions is being established. In addition the focus on goals, objectives and performance framework will be supported by HR partners and GE will continue to work with the Trust.

Part 2

The Committee received reports and discussed the MSK project, the Pathology Joint Venture, Service Line Reporting and Service Efficiency Projects.

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