

TRUST BOARD IN PUBLIC	25TH September 2014	
	Agenda Item: 3.2	
REPORT TITLE:	Finance & Workforce Committee Chair Update – Part 1	
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 23rd September 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 Radiology Managed Equipment Service Strategic Outline Case (which is now submitted to TDA for approval). • The Committee approved the addendum to the Decant Ward Business Case for a second ward to be built. <p>Financial, Workforce, Capital and IT M05 performance reports</p> <ul style="list-style-type: none"> • M05 reports were received for Finance, Workforce and Organisational Development, Capital and IT. • On Finance the Trust has performed on plan, with a deficit of £1.5m at M05 2014/15. • The Trust continues to forecast a £2.3m surplus and the £8.5m of risks were reviewed by the Committee. 		
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 – 25th September 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

Radiology Managed Equipment Service (MES)

The Committee received and approved the Strategic Outline Case (SOC) for the Radiology Managed Equipment Service (MES).

The Radiology MES SOC is a project where the maintenance and replacement of our Radiology equipment is outsourced. The proposal in the SOC is that the Trust enters a 12 year contract with an approx. value of £23m over the length of the contract. The Trust originally had 5 bidders but is now in a competitive dialogue with 2 companies. The approval of the SOC, subject to TDA approval, allows the development of the Outline Business Case (OBC). The Committee discussed the following that they would like to see explored in the OBC:

- Length of contract
- Changes in technology
- Potential changes in location of diagnostic imaging
- Buy in from Radiology users
- User preference vs Standard equipment

Decant Ward Business Case Addendum

The Committee received and approved the addendum to the Decant Ward Business Case.

- The proposal put to the Committee was to install a second modular building on top of the decant and escalation ward currently being built.
- The capital cost to fit and build the additional ward would be £2m - an additional £200k for contingency was approved by the committee, making a total of £2.2m.
- The purpose of the ward is to allow the Trust to ring-fence surgical beds to protect elective surgical activity. However, usage would be an Executive decision based on patient quality and safety.
- That Safety and Quality of patients is the priority and the Trust will continue to use its resources to ensure that this is maintained.

Financial, Workforce, Capital and IT M05 performance reports

The month 5 Finance, Workforce and Organisational Development, Capital and IT performance reports were presented to the Committee:

- The Trust is on plan for M05 2014/15, with a £1.5m deficit year to date and a £0.6m surplus in M05.
- Divisional overspends continue and generally as a result of additional emergency activity and some specific issues such as the under recovery of Maternity Pathway income. Agency spend continues to be an issue for the divisions and the position relied on central adjustments using non recurrent items to balance the monthly position.
- The Committee welcomed the paper on 2015/16 CIP programme that had extended timelines for developing programmes and Executive Director Leadership of schemes. Regular reports will continue to come to the Committee.
- The IT Report was presented. The Committee welcomed the new style report and the input of the Clinical Lead for IT, Dr Ben Upton, who described the working of the new Cerner clinical leaders group.

- The Committee discussed the IT BAF risk and it was agreed that it should remain at 15 as the Cerner clinical leaders group was not yet fully embedded and the PACs/RIS PIR was still to be finalised. However, the Committee received good assurance that significant progress had been made to ensure clinical engagement in IT.
- The Capital & Estates and Workforce & Organisational Development reports were presented and noted.

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