

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 16th December 2014. The key points from the meeting were as follows:</p> <p>Financial, Workforce, Capital and IT M08 performance reports</p> <ul style="list-style-type: none"> • The meeting accepted the management report on the PACS/RIS Post Project Evaluation, and took assurance that learning had been taken and was being applied. In particular clinical engagement in IT is very much more visible. • M08 reports were received for Finance, Workforce and Organisational Development, Capital and IT. • On Finance the Trust has performed on plan, with a surplus of £0.5m at M08 2014/15, but this includes non-recurrent items and an accrual in respect of an income challenge. The Trust continues to forecast a £2.3m surplus, with £6.3m of risk. That is reduced from £8.5m, but describes a significant level of risk. • The Committee received papers on a Nursing Technology Fund capital bid and detail of action around Quality Impact Assessments (in respect of savings). 		
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 – 18 December 2014 Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 16th December 2014 and it was quorate. The key points from Part 1 were as follows:

- The management response to the **PACS/RIS Post Project Evaluation** was presented and the Committee were assured that lessons had been learned around clinical engagement. assurance was given in respect of progress with the Radiology Department over its engagement with the solutions put in place and there was clarity over the arrangements with h Cerner to implement the remaining specific fixes The methodology for implementation of projects is being incorporated into Trust procedural documentation and the committee noted the role of the stronger governance structure dealing with IT . The Committee asked for an update on changes being made to the IT Leadership Structure and will discuss the upgrading of the IT Strategy at Board.
- The **IT report** was presented and the Committee noted the successful launch of the EPMA pilot on Capel Annex. A meeting to review the implementation and scaling up of the pilot will take place in January. It was noted that current feedback from the nurses using the system has been positive. It was noted that on the Electronic patient Record Project the contract had now been signed (after TDA approval had been received) and the data transfer is expected to take place in June.
- **Capital spend sourced from Departmental Budgets:** The Committee was advised that the Trust has applied for £1.1 million of Nursing Technology Funding directly with the Department of Health to enable the implementation of equipment that automatically alerts clinical staff on vital sign statistics. If awarded the Executives will decide on whether to proceed with implementation.

Financial, Workforce, Capital and IT M08 performance reports

The month 8 Finance, Workforce and Organisational Development, Capital and IT performance reports were presented to the Committee:

- The Trust is on plan for M08 2014/15, with a £0.5m surplus year to date and a £0.3m surplus in M08.
- The Committee was advised that the year to date position includes an accrual in respect of the challenge to CCGs over the level of emergency activity and the withheld marginal rate budget (4/8th of £2.3m). Also included is 4/8th of the 1st tranche winter resilience funding (£1.5m) and contingency from the balance sheet. Trust forecast remains at £2.3m surplus. The net risks to this position have been estimated at £6.3m a reduction in risk from the previous months, but the risk remains significant. On cash the Trust is currently experiencing delays in payments by the CCG's for contract over performance which may result in the Trust requiring t a temporary borrowing limit to maintain its cash flow..
- The CIPs update was discussed with the Committee noting that as in the previous year underspends were being used to mitigate overspends in other areas.

- The Committee received a report on the Quality Impact Assessments and was assured that robust processes are in place, noting issues recognised within the review that were being addressed.
- The Workforce and Organisational Development Report was received. The Committee noted that the sickness absence had improved due to a number of employees on long term sick returning to work. Appraisals as in previous years will see managers reminded of the need to complete and it is expected that the completion rate will improve in the coming months. The Committee noted the decrease in the staff survey completion rate down to 58% this year. It is believed however that this will see us in the top quartile for responses. The Committee highlighted the consistently poor performance by Surgery which is being investigated and will receive an update in January.
- The Capital & Estates Report was presented with the Committee noting the opening of the new Capel Annex and the possibility of a storage room being added to the decant ward project.