

Minutes of the Finance and Workforce Committee
Held on 22nd April 2014 at 3pm
In AD77, East Surrey Hospital, Redhill

Present

Richard Durban	RD	Non-Executive Director (Chair)
Paul Simpson	PS	Chief Finance Officer
Paul Bostock	PB	Chief Operating Officer
Gillian Francis-Musanu	GFM	Director of Corporate Affairs

In attendance

Janet Miller	JM	Deputy Director of Human Resources
Peter Hodgetts (part meeting)	PH	IT Manager
Shaun Cunningham (part meeting)	SC	Head of Capital Projects
Catriona Tait	CT	Head of Service Line Reporting

1	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p><u>Apologies:</u> Apologies were received from John Power, Richard Congdon, Alan Hall, Fiona Alsop, Des Holden, Michael Wilson, Ian Mackenzie, Yvonne Parker</p> <p><u>Declarations of Interest:</u> There were no declarations of interest.</p>
2	<p>MINUTES AND ACTIONS OF THE PREVIOUS MEETING</p> <p>The minutes of the 25 March 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 R Durban commented that in their feedback the TDA had highlighted the number of actions that were outstanding for several months. All outstanding action are to be resolved by the May meeting. The following actions were discussed:</p> <ul style="list-style-type: none"> - Estates small maintenance jobs –Ian Mackenzie to write a short paper on how the new system works to be distributed with the minutes of this meeting. - PIR for PACS/RIS – an external company is being employed to perform the PIR and an update on the report will come to the May 14 FWC meeting. - Final account for main entrance work – Ian Mackenzie not present and no paper received, S Cunningham confirmed that there were still differences with the contractor regarding the final account and a meeting was scheduled to resolve. Both the account for the main entrance and Theatres phase 1 will be presented to the next meeting.
3	<p>BUSINESS CASE INVESTMENT</p> <p><u>Hospital at Home FBC</u></p> <p>P Bostock presented the FBC for the Trust’s Hospital at Home service. After a pilot of 18 months the Trust has gone out to tender for the service, where patients are under the care of our</p>

	<p>Consultants but are looked after at home. The tender process had bids and presentations from 3 organisations and the business case recommended that the contract be awarded to Medihome, who have been the Trust’s provider through the successful pilot process.</p> <p>R Durban asked why the business case was only for 10 beds. P Simpson replied that the business case is based on current usage. P Bostock added that we have demonstrated we can do 15 Surgical pathways but we have not done the work on the Medical pathways to get enough patients to fill 50 Hospital at Home beds. Using a lower number of beds also negates the risk on the number of patients out of the hospital but under our care. P Bostock also stated that awarding a contract for 10 beds but having a framework for up to 50 beds gives us the flexibility to do use Hospital at Home more if we want to, but allows the organisation to finalise the bed strategy.</p> <p>G Francis-Musanu added that feedback from patients is that this is a good process.</p> <p>The business case was approved, with the Committee recognising that there is flexibility to increase the activity if required.</p>
<p>4</p>	<p>BUSINESS PLANNING</p> <p><u>Communications Strategy and Annual Plan</u></p> <p>G Francis-Musanu presented the Communications strategy to the Committee for final approval. R Durban asked what the Executive team feedback had been on the strategy. G Francis-Musanu replied that the comments were similar to those at the FWC, that the strategy was good but long and needed to be sharper.</p> <p>The Communication Strategy and Annual Plan were approved by the Committee.</p> <p><u>2-year Operating Plan</u></p> <p>The Committee discussed the requirement for an internal Operating Plan. P Simpson said that a 2-year plan was given to the TDA but this was a short paper. He suggested that the Trust needed to write its own Operating Plan for internal use.</p> <p>G Francis-Musanu queried what the purpose would be of a single year document. After June we will produce a summary extract of the IBP for publication. R Durban replied that we have a budget for one year of the LFTM we should have an Operating Plan for 1 year of the IBP. G Francis-Musanu suggested that we should pull out the first year of all the relevant strategy documents and compile them into a single operating plan for 2014/15.</p> <p>Action: It was agreed that the Trust should develop an annual operating plan that is in line with the LTFM & IBP, is concise, clear and intended to be circulated Sue Jenkins (Director of Strategy)</p>
<p>5</p>	<p>FINANCE</p> <p><u>Financial Performance M12 and CIP Update</u></p> <p>P Simpson presented the M12 Finance Report. He highlighted the following in the report:</p> <ul style="list-style-type: none"> • At month 12 the Trust had an unaudited surplus of £337k. • The Trust has delivered its plan.

- The Trust is in dispute over its contract income with East Surrey CCG.
- Variations between divisions on achievement of their year-end position.

P Simpson informed the Committee that the income risks regarding East Surrey CCG is regarded as low by the Trust. P Bostock asked if we lost the arbitration in which financial year would that impact. P Simpson confirmed that if we lost the arbitration it would impact the 2014/15 financial position.

R Durban recognised on behalf of the Committee the achievement of the year end position in line with the Trust plan.

14/15 Financial Budget Update

R Durban introduced the paper stating that is was to recommend to the Board the budget for Final approval. He highlighted that the interim budget presented at the March Committee had risks of £22m and the final budget had a risk of £8m.

P Simpson confirmed that since the presentation of the interim budget we have signed activity contracts with all the local CCGs, except East Surrey CCG and are in discussions with the local area team to resolve the differences. P Simpson highlighted the reconciliation report between the signed contracts and the budget presented. He confirmed that most of the contract risks would be subject to PbR and that the worst case scenario for 2014/15 would be a breakeven outturn position and a £2m cash shortfall. The Committee discussed the budget proposal in depth and the reduction of risks from £22m to £8m.

R Durban queried what the implication would be for our FT application if the Trust did not achieve its target £2.3m surplus. P Simpson replied that a breakeven position would not impact on our application but a deficit position would.

P Bostock stated that we are starting 2014/15 in a better position than the previous year, with surgical income agreed and electives on track for April.

The Committee agreed to recommend the final budget to the Board for approval.

6 WORKFORCE AND ORGANISATIONAL DEVELOPMENT

Workforce & Organisational Development Report M12

The Workforce Performance report was presented by J Miller for the full 12 month period. The trust met its rolling 3.5% sickness absence target, with some divisions recorded sickness absence of less than 3% for the 12 month period.

Staff Survey

J Miller presented the results of the staff survey. She stated that it was the best staff survey report the Trust had received and was good news for the organisation. R Durban confirmed that it was good news and a good report, giving an organisational action plan and incremental changes that will be sustainable. G Francis-Musanu suggested that the output of the action plan and its progress should come to this Committee. R Durban suggested that this should be done as part of the monthly workforce report and the outputs of the staff survey should become the headings for the April workforce report.

7	<p>CAPITAL AND ESTATES</p> <p><u>M12 Capital & Estates Report</u></p> <p>The M12 Capital and Estates report was presented by S Cunningham. He highlighted the progress of the McMillian Cancer Information Centre, where the Trust had met with McMillian and they had agreed to take the project forward to tender. It is anticipated that planning permission will be applied for in June, the FBC will be presented to the September FWC and the build will take 36 weeks.</p> <p>R Durban asked about the progress of the Cardiology FBC. P Simpson replied that before the FBC the Trust also needs to submit a Commissioning Business Case, so it will be a few months before the FBC is presented to the Committee.</p> <p>P Simpson highlighted that the capital programme for 2013/14 was just slightly under plan, which is an achievement, given the complexity of the programme and the funding requirements involved.</p>
8	<p>IT</p> <p><u>M12 IT Report</u></p> <p>P Hodgetts presented the IT report and asked if there were any comments. R Durban enquired about the timing of the EPR FBC and the EPMA project. P Hodgetts replied that the EPMA rollout was for just 1 ward that would go live from November 14 and will not impact on the EPR project as we are only implementing a target. The FBS for EPR is expected to come to the Committee in August 2014.</p> <p>G Francis-Musanu asked about the progress of the managed printer service business case. P Simpson replied that it is currently going through the Procurement process and then the FBC will be written once the tender has been, in about 3 months' time.</p> <p>P Simpson enquired about the issues of Windows XP support finishing at the end of April and the Trust plan for the applications it supports. P Hodgetts responded that the Trust has started to roll out Windows 7 with all new PC purchased. The Cabinet Office has agreed an extension to the support that will cost the Trust approx. £15k for the year by the end of which the Windows 7 rollout will be complete. P Simpson then asked if the situation with the email was the same. P Hodgetts said it is similar but need to put together a business case this financial year. R Durban asked why we were only doing a business case now when we knew it was running out. P Hodgetts replied that there were other items that needed updating and the IT strategy sets out the plan. A network review is underway and will produce a list of works required, complementing the contract log the Trust already maintains. The outcome of the network review will be reported to the Committee as part of the monthly IT report.</p> <p><u>PACs/RIS PIR</u></p> <p>R Durban gave an update on the PACs/RIS PIR, having spoken to B Stewart (Chief of Service for Clinical Support Service) and I Mackenzie. The review is to be done by a third party and the initial review meetings are just being set up. R Durban confirmed that the directors are aligned in</p>

	the review process and that the Trust needs to have to learnings from this process ahead of the EPR implementation.
9	GENERAL <u>FWC Annual Report</u> R Durban advised the Committee that he is to draft an Annual Report for the FWC which will be presented to the May FWC meeting and the June Board meeting. <u>Date of next meeting</u> Friday 23 rd May 2014 8.30am – 10.30am AD77