

Minutes of the Finance and Workforce Committee
Held on 24th June 2014 at 3pm
In AD77, East Surrey Hospital, Redhill
PART 1

Present

Richard Durban	RD	Non-Executive Director (Chair)
Alan Hall	AH	Non-Executive Director
Paul Simpson	PS	Chief Finance Officer
Yvonne Parker	YP	Director of Human Resources
Paul Bostock	PB	Chief Operating Officer
Fiona Allsop	FA	Chief Nurse

In attendance

Alan McCarthy (part meeting)	AM	Trust Chairman
Michael Wilson (part meeting)	MW	Chief Executive
Bruce Stewart (part meeting)	BS	Chief of CSS
Sue Jenkins (part meeting)	SJ	Director of Strategy
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, Gillian Francis-Musanu and Ian Mackenzie.</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 23 May and 12 June 2014 meetings were approved as an accurate record of the meetings.</p> <p><u>Review of Actions</u></p> <p>The action tracker was presented and the following actions were discussed:</p> <ul style="list-style-type: none"> - Final account for main entrance work – M Wilson requested that the account be closed and we should write to the contractor and advise.
3	<p>BUSINESS CASE INVESTMENT</p> <p><u>PACs / RIS Post Implementation Review – verbal update</u></p> <p>R Durban introduced the item as an independent report into the Trust’s implementation of PACS and RIS in 2013. B Stewart attended to give a verbal update on the findings to date. He said that the review had been undertaken by Medical Imaging Partnership and he had received a draft report. The company had difficulty completing the review due to required documentation not being available and conflicting reviews from the Trust and BT/Cerner. The findings presented so far were Radiology focused and B Stewart has requested a wider scope to the findings.</p> <p>Action : PACs / RIS PIR report to be presented to Executives and then the July FWC BS</p>

Decant Ward Full Business Case

P Bostock presented the Full Business Case (FBC) for the decant ward. Formal tenders had been received from 2 bidders and P Simpson confirmed that the bids were higher than the OBC prices and that the anticipated best price had not been received. M Wilson advised the Committee that this was due to the bidder that the OBC prices were based on withdrawing from the tender process as it had received a contract to build temporary school classrooms and could not fit the project in.

R Durban commented that there was a 40% increase on the OBC prices. M Wilson replied that he believed it was better value for money than the Capel / Charwood ward build.

A Hall asked why there was not a QIA included on the capital schemes that we are not to progress as a result of the increased costs of this project. P Simpson replied that the A&E CT and Resus project was already slipping into 2015/16. M Wilson confirmed that the decant ward was a priority as we do not believe that non-elective admissions are reducing. P Bostock advised that we cannot implement the A&E CT and Resus refurbishment until the decant ward is built as there are beds in Resus that are currently being used for escalation. A Hall reiterated that there was no QIA for CT & Resus in A&E in the business case presented. R Durban said that the business case does not tell the story of why A&E Resus and CT have been chosen as the schemes to be postponed.

Action: Business Case needs to be updated for a QIA and reasoning behind the slippage of A&E Resus and CT.

Sue Jenkins

P Simpson advised the Committee that the costs still include a 10% contingency. A Hall asked if we had formal endorsement from the CCGs. M Wilson replied that we do not need a formal endorsement but that he has met with the CCGs and they support the need for a decant ward given the increase in non-elective activity.

R Durban asked if the business case had infection control sign off. S Jenkins confirmed that this would be done as part of the detail of the ward planning.

A Hall asked how robust the savings were in the business case. P Bostock said that the savings were dependent on a no non-elective growth scenario; we can then close the ward in the summer and reduce the level of agency use. This was highlighted by the CQC as an issue.

The Business Case was approved

4 BUSINESS PLANNING

Annual Plan

S Jenkins presented the draft 14/15 Annual Operating Plan. It contains 185 actions for the year that have been pulled together from all the various strategy and plan documents. The Committee discussion focused on two aspects: first, whether such a large number of actions were deliverable, were duplicative and whether they were embedded into individual targets and second, how progress against delivery was to be monitored. R Durban suggested that some actions were very operational in nature and should be picked up by the performance management system put in place by the Executive but others were more strategic and the Board would require assurance that they were being delivered.

	<p>It was agreed that Sue Jenkins would lead the thinking and after discussion at the Executive would present the next iteration to the FWC.</p> <p>Action: The next iteration of the Annual Operating Plan to be presented to the July FWC. SJ</p>
<p>5</p>	<p>FINANCE</p> <p><u>Financial Performance M02 and CIP Update</u></p> <p>P Simpson presented the M02 Finance Report. He highlighted the following in the report:</p> <ul style="list-style-type: none"> • The Trust is on plan for M02 2014/15, with a £889k deficit at M02 and the outturn forecast is £2.3m surplus (on plan). • The cash position is ok. <p>P Simpson advised the Committee that the Executive team would be reviewing the list of cost pressures the following week, in particular those in the CSS Division and Nursing ratios. A process to monitor agency staff spend is in place and there are some areas that are hitting safer staffing levels and have underspends even with high levels of agency.</p> <p>A Hall said that there was concern at the level of unallocated CIPs. P Simpson stated that the best opportunity to fill the CIP gap was agency and ward savings but that the CIP is at risk. A Hall then asked if £7m of the £11m was unallocated. P Simpson replied that the gap is £3.8m with a further £7m of corporate savings schemes. A Hall then asked who was responsible for the £3.8m of unidentified CIPs. M Wilson replied that the Trust will need to have discussions in July about whether we reforecast our outturn position based on Quarter 1. P Simpson advised that we still have weekly PMO meetings with each division to monitor performance.</p> <p>P Simpson advised the Committee on the position regarding commissioning contracts. The Trust has not yet received anything from the National Specialist Commissioning Board regarding QIPPs or CQUINs. We are validating KPIs and still have the outstanding dispute with East Surrey CCG. P Simpson then reported to the Committee that the cash position was ok, with a lot of outstanding debt collected in April and May. A Hall asked about the risk to the Trust if we did not get approval for the £900k CRL carry forward. P Simpson replied that we had not yet received notification regarding the CRL but we have not committed to the Angio project. In August we will be applying to the Independent Trust Finance Committee for a loan.</p> <p>R Durban requested that from September CIP updates should include a 15/16 update for the Committee to see how plans are developing.</p> <p>Action: 15/16 CIP updates to be included from September 2014 meeting PS</p> <p><u>Reference Cost 2013/14 Collection Procedures</u></p> <p>P Simpson presented a paper for the Board to give assurance on the Trust costing procedures for its Reference Cost submission. The paper was approved.</p>
<p>6</p>	<p>WORKFORCE AND ORGANISATIONAL DEVELOPMENT</p> <p><u>Workforce & Organisational Development Report M02</u></p>

	<p>Y Parker presented the M02 report and identified the turnover of Band 5 Nurses and Band 5 Occupational Therapists as particular issues for the organisation. She also advised that the appraisal process is to change as a result of the OD work (supported by GE) work. A pilot will run from the 1st September and then training will start for all Band 8As.</p> <p>F Allsop then presented the papers on Nurse staffing levels. (nb In future Recruitment and Retention of both Nursing and Medical staff will be included in the monthly Workforce and Organisational Report as will an update on the “Clinically led” OD work.)</p> <p>F Allsop advised the Committee that the maternity cover budget is to be given back to the individual wards. R Durban asked if Nursing recruitment was on-going or only when there was a vacancy. F Allsop replied that the Trust recruits at risk at the known turnover level. We need to develop the role of the bank office and have longer term strategies to recruit staff in areas such as Paediatrics.</p> <p>R Durban asked how many additional Nursing staff we need to recruit. F Allsop advised that is was, in round figures, 200 for annual turnover, 50 for safe staffing and 25 for the decant ward. F Allsop said that she was 70% confident that our recruitment plans would deliver these numbers.</p> <p>R Durban noted that achieving the right nursing levels in terms of balance between permanent staff and agency is vital both from a quality and financial perspective. The Committee requires further assurance at a Trust level covering : How many nurses do we need? What are our plans to achieve this target? What is the level of confidence that it will be achieved?</p> <p>Action – The Workforce/OD report to the July meeting to include a further update on the recruitment of nurses FA</p> <p>A Hall asked if it is correct to leave the recruitment to the individual divisions. F Allsop replied that the Divisional Chief Nurses (DCNs) need to have the ability to manage and own their divisional recruitment processes. P Simpson added that there was central support for the DCNs.</p> <p>Action – Update on Clinical Led /GE work and a paper on the 14/15 recruitment of doctors to be presented to the July Committee DH</p>
7	<p>CAPITAL AND ESTATES</p> <p><u>M02 Capital & Estates Report</u></p> <p>P Simpson presented the M02 report as read.</p>
8	<p>IT</p> <p><u>M02 IT Report</u></p> <p>P Simpson presented the M02 report as read.</p>
9	<p>GENERAL</p> <p><u>FWC Annual Report</u></p>

R Durban highlighted the FWC Annual Report than was being presented to the Board on Thursday.

Date of next meeting

Tuesday 29th July 2014 2.30pm – 5pm AD77