

Minutes of the Finance and Workforce Committee

Held on 29th July 2014 at 2.30pm

In AD77, East Surrey Hospital, Redhill

PART 1

Present

Richard Durban	RD	Non-Executive Director (Chair)
John Power	JP	Non-Executive Director
Paul Biddle	PB	Non-Executive Director
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
Gillian Francis-Musanu (part meeting)	GFM	Director of Corporate Affairs

In attendance

Des Holden (part meeting)	DH	Medical Director
Michael Wilson (part meeting)	MW	Chief Executive
Catriona Tait	CT	Head of Service Line Reporting

1	WELCOME AND APOLOGIES FOR ABSENCE <u>Apologies:</u> Apologies were received from Ian Mackenzie. <u>Declarations of Interest:</u> There were no declarations of interest.
2	MINUTES AND ACTIONS OF THE PREVIOUS MEETING The minutes of the 24 June 2014 meetings were approved as an accurate record of the meetings. <u>Review of Actions</u> The action tracker was presented and the following actions were discussed: <ul style="list-style-type: none">- PACs/RIS PIR – There have been issues with the PIR processes so this is delayed to the August meeting- Main Entrance Final Account – this has been resolved within budget as per the capital report.
3	BUSINESS CASE INVESTMENT <u>EPMA Benefits Paper</u> P Simpson presented the EPMA benefits paper that had been written by D Heller. R Durban noted that the paper showed that whilst the project enabled small savings in time across a number of roles this did not translate into significant cash or staff savings and that the majority of the benefits are in safety and modernising processes. P Simpson advised that the reason for the pilot was to identify the benefits of the new process as well as pilot use and implementation. F Allsop added that this technology would largely prevent the type of “never event” that had happened the previous week from occurring and would also benefit the Trust in saving the time investigating such incidents.

P Bostock said that there will be efficiencies but it will be difficult to realise them if they are 15mins of various staffs' time.

Action: A paper in detailing the results of the EPMA pilot to be presented to the Committee in January 2015 DH

A Hall raised the wider point that we will not be able to justify on-going IT investment if future schemes do not make the savings that the Trust requires. Following discussion the Committee agreed that there needed to be greater focus on using new IT systems as a catalyst to change processes and pathways which then delivered patient and productivity benefits. The next iteration of the IT strategy should fully reflect this.

4 BUSINESS PLANNING

Update on IBP

G Francis-Musanu gave an oral update to the Committee. She advised that the Trust had not yet received any feedback from the TDA on the IBP submitted on 20th June 2014. The Trust will be required to submit a refreshed IBP in October 2014 ahead of the TDA Board to Board which will take place in November 2014.

5 FINANCE

Financial Performance M03 and CIP Update

P Simpson presented the M03 Finance Report. He highlighted the following in the report:

- The Trust is on plan for M03 2014/15, with a £2.8m deficit at M03.
- NEL Emergency activity is higher than planned for the first quarter and the contract report is available to Committee members in the Part 2 papers for this meeting.
- CIP schemes have a shortfall of £3.8m and the Trust will not hit its CIPs target this year.
- The over spend has been caused by a mixture of activity increases, which have meant we have not been able to close a ward and reduce agency as planned, and CIP schemes not delivering.
- The Trust is reforecasting its outturn position and this will be discussed at the private board meeting on 7th August.

P Simpson added that agency expenditure is going up and an agency PMO has been sent up and is identifying the cause and effects of increase agency usage. The Medical Division is driving the agency overspend. P Bostock advised the Committee that the increase in emergency activity of an additional 56 patients per week has not allowed up to reduce our agency spend as planned.

P Biddle commented that even if the TDA support a revised forecast that is worse than our plan it will still put us in a difficult position with Monitor and affect our FT application. P Simpson replied that the Trust was looking at working on its recurrent position.

A Hall said he was concerned that we are failing on CIPs and the year to date CIP is only 10% of the total CIP target and we needed to be realistic. P Bostock replied that we feel that the QIPP schemes have not worked, activity has not reduced so we have not been able to reduce our costs. P Biddle asked if the Trust can do more to stop the number of emergencies. P Bostock replied that we have carried out several schemes to reduce admissions and Sussex is stable. Admissions from Surrey are

increasing and this could be due to our improved reputation.

R Durban asked if any of the extreme mitigations from the LTFM were in the forecast and P Simpson replied that there were not.

6 WORKFORCE AND ORGANISATIONAL DEVELOPMENT

Workforce & Organisational Development Report M03

Y Parker presented the M03 report:

- Grade 8A and above appraisal compliance might slip initially as the new system is piloted from September
- The turnover in Estates & Facilities has been a managed turnover
- The increase in sickness absence has been due to some long term stress related absence.

F Allsop presented a paper on 2014-15 nursing recruitment to assure the Committee that processes are in place to recruit the c 260 nurses the Trust requires this year. R Durban asked how confident we were that we are doing the right things given that all the key measures eg turnover and agency levels have worsened in quarter 1. F Allsop responded that:

- Maternity and Paediatrics should be fully staffed by the end of September.
- Surgery is controlling its agency and turnover
- Medicine is the difficulty and in some areas there is 1:1 nursing

F Allsop advised the Committee that the Agency PMO is looking at recruitment, retention, bank usage and education & training support. She stated that she is confident that we will recruit 70% of the nurses required this year eg around 180 but we are finding lots of issues. F Allsop added that we were considering developing a corporate approach to recruitment but currently we adopt a divisional stance. The 3 main nursing divisions have very different approaches and this devolved approach does have advantages eg local ownership.

R Durban asked if we were assured that we are set up to deliver the require staffing numbers. F Allsop responded that we have a documented, transparent process and will have KPIs to monitor it. A Hall asked if each division understood its input into the Trust total of 263? F Allsop confirmed that they did and that Surgery is tracking achievement on a monthly basis. A Hall then asked what the additional cost to the Trust was of employing agency staff. F Allsop said the difference was £4m per annum. A Hall questioned whether a premium could be paid to encourage recruitment but would be less expensive than paying agency staff.

The Committee received an additional report from the Medical Director, D Holden, 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.

P Bostock added that the GE work seemed to have added a lot of value and the clinicians have engaged with them well.

R Durban asked whether the GE terminology has become embedded within the organisation. D

	<p>Holden said that “9-blocker” performance grid is embedded and Y Parker confirmed that this will form part of the Trust’s new appraisal system. P Biddle asked whether it will be used to pay bonuses. A Hall said he would be concerned about using it for financial reward before the first year is embedded. D Holden replied that it was never the intention for it to be used to set pay but that it will be used for recruitment and succession planning and performance management.</p> <p>A Hall asked how much we have spent on GE last year and how much we will spend next year, P Simpson replied that £90k will be spent this year and he will confirm the amount spent last year (Actual spend on GE for 2013/14 was £262k.)</p> <p>G Francis-Musanu added that we have started to use this approach in Consultant interviews.</p> <p>Action: The Committee is to receive a quarterly update on this work (to start from the November 14 meeting) DH</p>
	<p>CAPITAL AND ESTATES</p> <p><u>M03 Capital & Estates Report</u></p> <p>The M03 report was presented. A Hall asked if the theatres were now operational. F Allsop replied that they were but there was an aspect of the equipment that was not working. P Bostock added that they have rescheduled the theatre sessions to work around this issue. It was confirmed that the Radiotherapy unit was open and P Simpson advised that the new car park was also open.</p>
8	<p>IT</p> <p><u>M03 IT Report</u></p> <p>The M03 report was presented. R Durban requested that P Simpson ensure that the points raised by the Committee when approving the EPR OBC were fully reflected in the FBC which is coming to the next meeting.</p>
9	<p>GENERAL</p> <p>R Durban advised the Committee that this was J Power’s last meeting before he finishes his term as a Non-Executive Director at the Trust and thanked him for his contribution to the Committee.</p> <p><u>Date of next meeting</u></p> <p>Tuesday 26th August 2014 3.pm – 5pm AD65</p>