

**Minutes of the Finance and Workforce Committee**  
**Held on 25<sup>th</sup> March 2014 at 3.30pm**  
**In AD77, East Surrey Hospital, Redhill**

**Present**

Richard Durban	RD	Non-Executive Director (Chair)
John Power	JP	Non-Executive Director
Richard Congdon	RC	Non-Executive Director
Alan Hall	AH	Non-Executive Director
Paul Simpson	PS	Chief Finance Officer
Fiona Allsop	FA	Chief Nurse
Yvonne Parker	YP	Director of Human Resources
Gillian Francis-Musanu	GFM	Director of Corporate Affairs

**In attendance**

Andy Humm	AH	Head of IT
Catriona Tait	CT	Head of Service Line Reporting

<b>1</b>	<p><b>WELCOME AND APOLOGIES FOR ABSENCE</b></p> <p><b><u>Apologies:</u></b> Des Holden, Michael Wilson, Ian Mackenzie</p> <p><b><u>Declarations of Interest:</u></b> There were no declarations of interest.</p>
<b>2</b>	<p><b>MINUTES AND ACTIONS OF THE PREVIOUS MEETING</b></p> <p>The minutes of the 25 February 2014 meeting were approved as an accurate record of the meeting.</p> <p><b><u>Review of Actions</u></b></p> <p>The action tracker was presented and the following actions were discussed:</p> <ul style="list-style-type: none"> <li>- <b>Estates small maintenance jobs</b> – Ian Mackenzie not present and no paper received, deferred to April meeting</li> <li>- <b>PIR for PACS/RIS</b> – an external company is being employed to perform the PIR and the report will come to the April 14 FWC meeting.</li> <li>- <b>Use of Information Strategy</b> – R Durban and P Bostock are in communication regarding this and it is not required at present.</li> <li>- <b>Copy of the 7<sup>th</sup> February Board Minutes for Cardiology Business Case</b> – these have been sent to C Tait for filing with the FWC papers and copies are included in the 27<sup>th</sup> March Board Papers.</li> <li>- <b>Final account for main entrance work</b> – Ian Mackenzie not present and no paper received, deferred to April meeting</li> <li>- <b>EPMA Implementation plan</b> – not yet complete, deferred to May 14 meeting</li> </ul>

### 3 FINANCE

#### Financial Performance M11 and CIP Update

P Simpson presented the M10 Finance Report. He highlighted the following in the report:

- As at month 11 the Trust had a small surplus YTD.
- Savings are still doing well.
- CSS is overspending beyond its control total but this will be managed in this financial year.
- The outturn forecast is a small surplus for 2013/14
- The risks to the year end position have lowered in value

P Simpson informed the Committee that the income risks to the year end position have reduced as a deal for income has been done with Surrey Downs CCG and negotiations are in progress with Crawley, Horsham and Mid Sussex. He reported that East Surrey was not in a position to do a deal but we do have written confirmation of the officially disputed items. This allows us to accrue a position for East Surrey CCG based on the probability that we will win these disputes.

A Hall asked what the quantum of these disputes was. P Simpson responded that the total of these disputes was £4m, £1m of this is a Non Elective Threshold issues between Surrey and Sussex and not a loss to the Trust. There is also a change in recording of non elective short stays to outpatients for which East Surrey are claiming £1m plus £800k of cardiology activity being disputed. A Hall then asked if these items were after the M07 agreement. P Simpson replied that they were but the figures quoted are full year. It is likely that any benefit or dis benefit for these disputes will impact in 2014/15.

A Hall queried the level of risk of £4.3m presented in the finance paper against the confidence that the year- end outturn position will be achieved. P Simpson stated that the finance paper had been written a week previously and much had changed regarding discussions with the CCGs since the paper was written and the level of risk was now lower.

G Francis-Musanu asked about the timescale for the readmissions audit, which had been sent to the TDA and NHS England for arbitration. P Simpson confirmed that we had not yet received a timetable.

P Simpson then presented the Cost Improvements Programme (CIPs) paper. He confirmed that the Trust had delivered some recurring savings during the year. Mitigation had been carried out at divisional level, not centrally, and these are fully recurrent.

### 4 WORKFORCE

#### Workforce Performance Reporting M11

The Workforce Performance report was presented by Y Parker and accepted by the Committee. R Durban queried why when there had been a drop in vacancies in January that had been held in February although agency is still increasing in that period. F Allsop said some of it is due to escalation, the hospital is running 'hot', and some of it is double running whilst the Portuguese nurses await their PINs. High agency usage in radiology and pathology is continuing.

Y Parker confirmed she is hoping to include an Estates and Facilities scorecard in the report from April onwards.

<p><b>5</b></p>	<p><b>CAPITAL</b></p> <p><b><u>M11 Capital Report</u></b></p> <p>The Capital report was presented by P Simpson in I Mackenzie’s absence and confirmed that all the planned work would be finished by year end and the Trust would hit its EFL and CRL targets.</p> <p>A Hall asked what the timeframe was for the Cardiology project. P Simpson confirmed that the plan was that full business case was due to the Committee in May and the build was due to start in June. He also confirmed that we would need to borrow funds for the 14/15 capital programme to proceed with the business case. Due to the size of the investment the business case will need to be approved by the TDA. This will extend the timetable as will the process to get agreement from the CCGs on income and activity. The aim is that the build will be finished before the winter.</p> <p>P Simpson advised the committee that the Trust had not had confirmation from the TDA that the £900k CRL planned undershoot can be carried forward into 2014/15.</p>
<p><b>6</b></p>	<p><b>IT</b></p> <p><b><u>M11 IT Report</u></b></p> <p>A Humm presented the IT report. R Durban asked if any of the 17 PAS/RIS set up issues that are outstanding are impacting patients. A Humm replied that a couple are affecting the way Consultants work but it is difficult to quantify the direct impact on patients.</p> <p>R Durban queried points 2.4 and 2.5 in the report, regarding the ending of support for Microsoft packages in April 2014. He asked why we are rushing at the last minute when we must have known this support was due to expire. A Humm replied that the risk was low from the cessation of the support but a business case was being developed for the Trust email system. J Power asked if the Trust has additional security from virus’ and A Humm confirmed that we do.</p> <p>R Durban highlighted that due to the change in VAT treatment reported in the press the benefits in the Managed Print Services business case would be much reduced. P Simpson noted the need for the full business case to identify other potential savings.</p>
<p><b>7</b></p>	<p><b>BUSINESS PLANNING</b></p> <p><b><u>Communications Strategy and Annual Plan</u></b></p> <p>G Francis-Musanu presented the Communications strategy to the Committee and advised that it was still with the Executive team for comments. She advised that it still need some work on strengthening Board Communications and improving relations with partners that needs to be included.</p> <p>Both J Power and R Durban commended that paper and R Durban requested that a final version of the paper come back to the April Committee. G Francis-Musanu confirmed that it will be presented when it is finalised and that an update report will be presented in 6 months’ time.</p> <p><b>Action:</b> Final Communications strategy to come to April FWC <span style="float: right;"><b>GF-M</b></span></p>

**8 GENERAL**

**Draft Workplan**

R Durban presented the work plan and requested that any amendments be given to him or C Tait before the next meeting.

R Congdon stated that he did not feel that the Trust Board is adequately briefed on the financial position of the Trust or that the Board or Committees have sufficient time to discuss financial matters. A Hall also commented that the work plan agenda feels transactional rather than having time to discuss major items. R Durban noted that the decision to move the monthly finance report to the FWC rather than the Board is to be reviewed in the next couple of months.

**Issues to report to the Board**

A Board update is required on Wednesday 26<sup>th</sup> March for the meeting on Thursday 27<sup>th</sup> March. The Committee agreed that the following issues should be reported to the Board:

- 2014/15 Budget position
- Inviting Paul Bostock to be a Committee member
- Reviewed & accepted draft Communications strategy
- Capital CRL undershoot of £900k - carry forward to 2014/15 not confirmed by TDA
- Partnerships report – Chemotherapy agreement with Royal Surrey County Hospital
- Market Development Action Plan

**Date of next meeting**

Tuesday 22<sup>nd</sup> April 2014 3.30pm – 5.30pm AD77