

**Minutes of the Finance and Workforce Committee
Held on 25th November 2014 at 3pm
In AD77, East Surrey Hospital, Redhill**

PART 1

Present

Richard Durban	RD	Non-Executive Director (Chair)
Paul Biddle	PBi	Non-Executive Director
Alan Hall	AH	Non-Executive Director
Yvonne Parker	IM	Director of Human Resources
Gillian Francis-Musanu	GFM	Director of Corporate Affairs

In attendance

Lorraine Clegg	LC	Deputy Chief Finance Officer
Sue Jenkins	SJ	Director of Strategy
Catriona Tait	CT	Head of Service Line Reporting & Minute Taker

1	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p><u>Apologies:</u> Apologies were received from Paul Simpson (Chief Finance Officer), Fiona Allsop (Chief Nurse), Paul Bostock (Chief Operating Officer) and Ian Mackenzie (Director of Information and Facilities).</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 28th October 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 the following comments were made:</p> <ul style="list-style-type: none"> - IT BAF risk – No proposal from Exec team to change risk – action closed - Management response on PACs/RIS PIR – deferred to December 2014 meeting - Marketing Development Annual Plan – action to be added to tracker and is due to January 2015 meeting
3	<p>BUSINESS CASE INVESTMENT</p> <p><u>PACs / RIS Post Implementation Review (PIR) – Management Response</u></p> <p>To be discussed at December 2014 FWC meeting.</p>
4	<p>BUSINESS PLANNING</p> <p>No items to discuss.</p>
5	<p>FINANCE</p> <p><u>Financial Performance M07 and CIP Update</u></p> <p>Lorraine Clegg presented the M07 Finance Report. The following were highlights:</p>

- The Trust is on plan for M07 2014/15, with a £0.1m surplus year to date and a £1.4m surplus in M07.
- 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 (3/8th of £2.3m). Also included is 3/8th of the 1st tranche winter resilience funding (£1.5m) and contingency from the balance sheet of £1.3m.
- Trust forecast remains at £2.3m surplus. The net red rated risks to this position have been estimated at £4.0m (£5.5m less the unused second tranche of winter funding).
- Cash remains difficult due to cashflow timing issues and the Trust is preparing to apply for a temporary borrowing loan from the ITFF.

Paul Biddle asked how we know that the overspends in divisions are all due to the increase in emergency care. Lorraine Clegg replied that we monitor our CIPs so we know how they are performing and added that the Trust has calculated that the cost of the additional activity is £7m (a breakdown on this cost has been circulated to Committee members).

Alan Hall asked how much of the monthly movement was non-recurring. Lorraine Clegg replied that it was £600k in month, £1.3m year to date and that all the balance sheet contingency had been used. Paul Biddle asked how the 2nd winter tranche funding of £1.6m would be fed into the position. Lorraine Clegg advised that when confirmed it would be probably be on the same basis as the other winter funding. The Committee then had further discussion regarding the reporting and showing the funding in the ytd position.

The committee then reviewed and discussed the risks associated with the position on page 21 of the Finance report. Alan Hall asked why the risks were not diminishing from £8.5m. Lorraine Clegg advised that the £800k balance sheet risk can come out as this has been realised and that all the risks would be reviewed for next month's report.

Alan Hall asked for visibility of real overspends that are not activity related, which Lorraine Clegg agreed would be included in future reports. Alan Hall asked what the Patient Experience around cancellations was and how many outpatients and inpatient electives have been cancelled. Richard Durban said that this should be raised at the Board and is about the balance between achieving ED performance targets and cancelling Electives. Paul Biddle then asked if cancellations were a KPI. Gillian Francis-Musanu said they were not a KPI but formed part of the narrative to the Board.

Lorraine Clegg then spoke to the CIP update paper, highlighting that there had been a mid-year QIA update with the Medical Director and the Chief Nurse. Richard Durban asked if the Trust was delivering on the 3 significant new CIPs. Lorraine Clegg advised that the report is to be updated for the December meeting to give more details on the items in the forecast position.

Replacement of Medical Equipment Report

Lorraine Clegg presented the replacement of medical equipment report to the Committee, reporting that the Capital Investment Group (CIG) has a robust process, which includes EME and Decontamination, for ensure the replacement of capital equipment. Richard Durban asked if the £1.5m pa shown in the LTFM was enough to cover need. Lorraine Clegg replied that this is the funding the Committee decided upon and that some departments have specific budgets which they can spend. Alan Hall asked if we were tracking equipment replacement through the Asset register. Richard Durban added that any tracking against the asset register would also require clinical judgement on the remaining life of the equipment. Paul Biddle asked if the practical life of assets were generally longer

	<p>than the book value. Lorraine Clegg confirmed that this was correct and that we do not write assets off and that the CIG was working through the Trust risk register.</p> <p>The Committee was assured that robust processes are in place with a programme of replacement.</p>
<p>6</p>	<p>WORKFORCE AND ORGANISATIONAL DEVELOPMENT</p> <p><u>Workforce & Organisational Development Report M07</u></p> <p>Yvonne Parker presented the Workforce and Organisational Development Report for M07 and highlighted that sickness levels were at their highest for the last 12 months. This is a mixture of both long and short term sickness, and HR is working to get staff off on long-term sick back to work on phased returns where possible. Stress is an issue and staff who are off with stress are being given counselling where required. Yvonne Parker also advised the Committee that the roll out for the new appraisals is continuing and being brought forward for those Band 8As and above whose appraisals are not due until the new year.</p> <p>Richard Durban clarified that these are the appraisals with the new quality objectives and asked that what happens once the trial of the Band 8As and above had been completed. Yvonne Parker replied that the plan was the new appraisal system would then be rolled out to all other staff from April 2015.</p> <p>Richard Durban queried whether the figure of 26% Maternity sickness in October was correct as this was inconsistent with the HR report for WACH. Lorraine Clegg said she would check the finance figure. <i>[An email was subsequently sent to all Committee members advising that the overall WaCH sickness rate for October was 6% (as reported by HR) while the 26% quoted in the finance report related to ante natal care registered nurses only. Overall across midwifery areas the sickness absence % was very high, due to both long and short term sickness.]</i></p> <p>Richard Durban asked if fact that sickness is up, appraisals down, education & training is down at a time when the hospital is running flat out was a matter of significant concern. Yvonne Parker responded that she is concerned but there is no consistent theme through the reasons for the sickness. Yvonne Parker is taking a paper to Executives regarding the overall position.</p> <p>Yvonne Parker advised that the staff survey response was currently at 50% and the deadline was 5th December. A reminder is going out to the Consultant staff from the Medical Director as there is still a significant number of Consultants who have not completed their surveys.</p> <p>Richard Durban highlighted that the paper included an update from Des Holden, Medical Director, on Sash Plus. Lorraine Clegg added that the 3 work streams are going well. Alan Hall stated that we had not yet seen a definable output and there was no sense in the paper of what that might be and asked if this is discussed at the steering group. Lorraine Clegg advised that she is on the steering group but it is more of a working group and that measurement of the output was not discussed at the meetings. Lorraine Clegg confirmed she would raise this point at the Steering group at its next meeting.</p>
<p>7</p>	<p>CAPITAL AND ESTATES</p> <p><u>Capital & Estates Report M07</u></p> <p>The Capital and Estates M07 Report was taken as read. Lorraine Clegg added that £0.5m of capital for the theatre project would not be spent by 31st March 2015 and will be rolled into next year. All the</p>

	<p>capital monies have been allocated to be spent by March 2015.</p> <p>Richard Durban asked that it be noted that the Decant 1 revenue business case was approved at the Private Board meeting.</p>
<p>8</p>	<p>IT</p> <p><u>IT Report M07</u></p> <p>The M07 IT report was taken as read. Richard Durban asked if the TDA capital investment group had signed off the EPR case. Lorraine Clegg confirmed that the case was signed by 31st October by the TDA and we signed the contract on the 24th November.</p> <p>Paul Biddle asked if we have a replacement for Andy Humm as project manager. Lorraine Clegg replied that we have employed a contractor to cover the position. Richard Durban asked is the Head of IT role was still vacant and Yvonne Parker replied that Ian Mackenzie is reviewing the structure of the whole team.</p> <p>Alan Hall queried the timing of the EPMA rollout as being too slow. Lorraine Clegg advised that we cannot rollout EPMA until after the implementation of EPR. Paul Biddle requested that future reports include a chart linking all the projects together.</p> <p>Richard Durban asked what the benefits were of the whiteboard project and whether this had been quantified and would be tracked. Sue Jenkins advised that the main benefits were having bed information in real time, knowing immediately a bed is free together with diagnosis and pathway updates. Paul Biddle added that where it works it helps to reduce inpatient length of stay.</p>
<p>9</p>	<p>GENERAL</p> <p>There was no any other business.</p> <p><u>Date of next meeting</u></p> <p>Tuesday 16th December 2014 3pm – 5pm AD65</p>