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| TRUST BOARD IN PUBLIC | | Date: 27th October 2016 | |
| | | Agenda Item: 3.2 | |
| REPORT TITLE: | | Finance & Workforce Committee Chair Update – Public | |
| EXECUTIVE SPONSOR: | | Paul Simpson (Chief Financial Officer) | |
| REPORT AUTHOR (s): | | Richard Durban (Non-Executive Director and FWC Chair) | |
| REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date) | | No – Board Update | |
| Action Required: | | | |
| Approval () | Discussion () | Assurance (√) | |
| Purpose of Report: | | | |
| To update the Board on the discussions and actions from the Finance and Workforce Committee. | | | |
| Summary of key issues | | | |
| <p>The Finance and Workforce Committee met on the 25th October 16 and was quorate.</p> <ul style="list-style-type: none"> • The Committee received the revised EPR Digitise OBC. • The Sustainable Development Management Plan (SDNP) was discussed and approved by the Committee. • M06 reports were received for Finance & the 16/17 CIP, Workforce and Organisational Development, Capital and IT. • The Trusts YTD deficit at the end of month 6 was £(1.8)m, £0.1m better than the planned £(1.9)m deficit position. The Trust is £700k adverse to plan YTD against the NHSi agency spend target. | | | |
| Recommendation: | | | |
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| Relationship to Trust Strategic Objectives & Assurance Framework: | | | |
| <p>SO2: Effective - Deliver effective and sustainable clinical services within the local health economy SO4: Responsive – Become the secondary care provider and employer of choice our catchment population SO5: Well led: Become an employer of choice and deliver financial and clinical sustainability around a clinical leadership model</p> | | | |
| Corporate Impact Assessment: | | | |
| Legal and regulatory impact | | The FWC reviews assurance in respect of workforce, capital and investment projects, business planning (which includes financial planning) and cash aspects. Employment law: laws governing the rights of individuals and terms and conditions | |

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| | <p>terms include: National Minimum Wage Act 1998; the Working Time Regulations 1998; Employment Rights Act 1996; Equality Act 2010; Employment Rights Act 1996, and; the Transfer of Undertakings (Protection of Employment) Regulations 2006. Other key laws affecting employees include the Pensions Act 2004 and the Trade Union and Labour Relations (Consolidation) Act 1992.</p> <p>Financial performance is subject to Schedule 5 of the NHS Act 2006 which provides the “breakeven duty”. Legal aspects related to capital works will depend on the nature of the works.</p> <p>The main regulators, are as follows:</p> <ul style="list-style-type: none"> - External audit (the Grant Thornton for this Trust) gives an opinion on the Trust’s compliance with International Financial Reporting Standards and with NHS accounting conventions – this is not purely financial and deals with procurement, fraud, transparency and legal duties. It also gives a Value for Money Conclusion on the Trust’s ability to put in place arrangements to deliver economy, efficiency and effectiveness in its use of resources. <p>The Care Quality Commission registers the Trust according to its compliance with regulations concerning the safety and quality of services</p> |
| Financial impact | The report provides assurance about savings, capital spend and the structure of the business planning process. |
| Patient Experience/Engagement | Indirect impact through Trust planning and workforce. |
| Risk & Performance Management | The committee, and this report, provides assurance about workforce and capital management. |
| NHS Constitution/Equality & Diversity/Communication | |
| Attachment: | |
| Report Paper | |

TRUST BOARD REPORT OCTOBER 2016

Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 25th October 2016 and it was quorate. The key points from Public meeting were:

EPR Digitise OBC

The Committee received an amended EPR Digitise OBC. The benefits case had been revised from the version approved in June 2016. The £2.5m cash releasing savings had been removed following a review by Executive Directors and advice from NHSi to focus on quality benefits. The cost had increased to £5.3m as additional functionality had been included.

The Committee discussed the need to deliver both cash releasing/income generating and quality benefits from a £5m investment. The Committee agreed that greater clarity was required regarding the income, quality and productivity benefits that this investment will deliver. An update on the benefits case is to come to the November FWC after which the OBC will be sent to NHSi.

Sustainable Development Management Plan (SDNP)

The Committee received the Sustainable Development Management Plan (SDNP). The plan was well received by the Committee who approved the direction of travel that the plan was taking and a budget of £50k per annum to support delivery of the programme. It noted the interdependence with other Trust programmes.

Finance

The Trusts YTD deficit at the end of month 6 was £(1.8)m, £0.1m better than the planned £(1.9)m deficit position. BPPC performance has continued to improve.

The Committee noted that agency spend had dipped down in month but income was down on plan (although higher than last year) and the divisions were overspending, particularly WACH.

Our temporary borrowing facility had been fully utilised and the Trust loans consisted of £23m - working capital, £9.6m - capital and £2.4m - leases.

Month 06 Workforce and Organisational Development

The Workforce & Organisational Development reports were received. The Committee discussed agency usage (based on a new reporting format), Nurse recruitment and retention and Medical recruitment (also based on some new KPIs)

The M06 Capital report

The Capital report was received and noted. Although the £15.9m CRL request had not been approved the Trust had been advised that it will receive the £3m capital to revenue transfer from 2015/16. However it is unclear whether this will be spent on capital and whether we will be allocated the £3.5m loan. Therefore the budget remains at £9.4m and the capital programme will be reviewed against this.

The M06 IT report was received and noted.