

TRUST BOARD IN PUBLIC		Date: 25 August 2016	
		Agenda Item: 3.3	
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 23rd August 2016 and was quorate.</p> <ul style="list-style-type: none"> • Post Implementation Reviews (PIR) for the MacMillian Centre and the Cardiology units were presented with learnings from the relationships with external organisations and the use of Private patient income in future Business cases • M04 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 4 was £(3.0)m, £1.9m better than the planned £(4.9)m deficit position. Sustainability and Transformation funding has been paid for Q1. The Trust is £150K adverse to plan YTD against the NHSi agency spend target. 			
Recommendation:			
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	

	<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 AUGUST 2016 Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 23rd August 2016 and it was quorate. The key points from Public meeting were:

Post Implementation Reviews

The Committee were presented with the Post Implementation Review (PIR) for the MacMillian Centre and the Cardiology Unit.

The *MacMillian Centre* opened to the public on 27 January 2016. The project came in below its Capital budget (£448K SASH budget to £410K SASH actual) and is currently running below its revenue budget which is in part due to the volunteer base which has been building as demand has required. Lessons around the relationship with external organisations were acquired from this well run project as well as the positive impact that user involvement during the planning process can have.

The *Cardiology Unit* was opened in November 2015 with the initial aims to increase NHS activity going through the laboratories, reduce waiting time, increase the number of procedures and to start a private patient service. The unit has enabled the reduction of waiting times with urgent patients now being seen in 2 weeks and routine patients waiting down to 6-8 weeks. Inpatients have also seen reductions in waits to just a few hours. Private patient activity has yet to be developed due to, *inter alia*, capacity constraints in the hospital requiring the day ward to be used as an escalation area.

The Committee was told that demand was increasing, activity from the likes of Angiography and pacemaker procedures has increased and that outpatient waiting list is the biggest challenge for the team along with developing an electrophysiology service. The Committee discussed the use of Private patients in future business cases as a generator of extra income sources given Cardiology's income being year to date greater than planned on NHS work. A paper on the future income plan would be produced and shared with the FWC .

The Committee discussed the SASH + work in Cardiology and also noted the patient benefits delivered by the project.

Finance Performance & CIP M04 Reports

The Trusts YTD deficit at the end of month 4 was £(3.0)m, £1.9m better than the planned £(4.9)m deficit position. Sustainability and Transformation funding for Q1 has been paid. This payment has enabled the Trust to improve its better payment practises.

We are seeing the highest number of attendances to the Emergency Department ever seen but that the conversion rate is good with admissions similar to those seen in 2015/16. M04 has seen income reductions in Day cases and outpatients with inpatient elective activity continuing to track below plan. The income risk was increased by £1m giving a total risk to the plan of £7.2m.

Agency spend has remained flat resulting in a £150K year to date (YTD) adverse spend.

Although still ahead of plan, there was overspending within all Divisions (except Surgery and Clinical Services). Radiology has improved, WACH remains of significant concern.

The cash balance at the end of July 2016 was £4.9m. The Trust has drawn down £7.3m of its 2016/17 revolving working capital facility.

The CIP report showed that the end of July the Trust achieved savings of £1.6m and is ahead of the NHSI plan by £0.2m.

Month 04 Workforce and Organisational Development

The papers were received by the Committee and noted. Considerable work has been undertaken by the team to improve MAST compliance and completion rates through logistical and technical improvements. The review of the establishment changes in the previous months has been completed in all areas other than for Junior Doctors and Estates.

The M04 Capital report

The Capital report was received and noted. The Trust is yet to receive written confirmation of the return of the Capital to Revenue transfer for 2015/16. This however has not been included in the budgets.

The M04 IT report was received and noted.