

TRUST BOARD IN PUBLIC		Date: 29th September 2016	
		Agenda Item: 3.2	
REPORT TITLE:		Finance & Workforce Committee Chair Update – Public	
NON-EXECUTIVE SPONSOR:		Richard Durban (Non-Executive Director and FWC Chair)	
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 27th September 2016 and was quorate.</p> <ul style="list-style-type: none"> • The Business Planning timetable was discussed in the context of the NHSi planning guidance and the Trust's governance structure. • A Post Implementation Review (PIR) for the Electrical supply BC was presented with learnings from how we manage relationships with utility companies in this context. • M05 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 5 was £ (1.8) m, £0.3m better than the planned £ (2.1) m deficit position. The Trust is £400k adverse to plan YTD against the NHSi agency spend target. 			
Recommendation:			
To note the report			
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	

	<p>individuals and terms and conditions 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:	
FWC Report Paper	

TRUST BOARD REPORT - 29TH SEPTEMBER 2016

Finance & Workforce Committee Chair Update

The Finance and Workforce Committee met on 27th September 2016 and it was quorate. The key points from Public meeting were:

Business Planning

The Committee received the annual *Business Planning timetable* and discussed it in the context of NHSi 17/19 operating guidance that was released last week and any future STP governance framework. It was also recognised that the planning framework used to support our FT application to date would benefit from a review. It was agreed that the draft timetable would be amended to reflect these requirements and that the Executive team would then review it. It would subsequently be circulated to FWC members for comment.

The Committee was presented with the *PIR for the Energy Supply Business Case*. The business case was approved in June 2013, at a budgeted cost of £1.3m, to increase the power available to the East Surrey site. The project was held up due to negotiations between UKPN and a local farmer over access to land but the project delivered the necessary increase in power supply. Additional costs of up to £95k were approved in January 2016; the budget was overspent by c £65k.

The main learning for the Trust was around the necessary level of expertise required when going through such a process for the first time.

Finance

The Trusts YTD deficit at the end of month 5 was £(1.8)m, £0.3m better than the planned £(2.1)m deficit position. BPPC performance has improved markedly but is dependent on receiving cash. The working capital facility had been fully utilised.

The Committee noted the income position and the CIP run rate had worsened in M5. The Q2 Forecast would reflect trends in delivery against the step up in required performance. There was a discussion around the provision of legal services and their associated costs.

The Committee received and noted the updated financial procedures which will be published to the Trust.

Month 05 Workforce and Organisational Development

The papers were received by the Committee and the following points highlighted: Junior Doctor Strike action planned for September was cancelled as have the strikes planned for October, November and December. A 'Safer Working Guardian' had been appointed as part of the new junior doctor's contract. The Trust's 'Freedom to Speak Up Guardian' had also been appointed and formally commences duty on 1st November.

Achievement Review compliance has increased significantly by the end of August. It is planned that 90% of all staff with 12 months or more continuous service to be appraised by the end of October 2016. Bank and Agency Usage remains high.

The Committee noted the significant number of consultant and locum consultant vacancies and discussed the national context and plans to address the issue. It was suggested that it should feature on the SRR and be feature in Workforce KPI reporting.

The Committee also received and welcomed the annual Training and Development plan and the Workforce Diversity paper. In addition the Committee would receive an update on the planned volume of training and the associated allocated costs and a paper showing specific SASH actions related to Inclusion.

The M05 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.

The Estates & Facilities Internal Controls Report showed that these are well controlled areas with an overall assessment of low rick of system failure.

The M05 IT report was received and noted.

Richard Durban
Non-Executive Director
Chair Finance and Workforce Committee
September 2016