

Minutes of the Finance and Workforce Committee
Held on 29 March 2016 at 8.30am
In AD77, East Surrey Hospital, Redhill
PUBLIC

Present

Richard Durban	Non-Executive Director (Chair)
Alan Hall	Non-Executive Director
Paul Simpson	Chief Finance Officer
Fiona Allsop	Chief Nurse
Angela Stevenson	Chief Operating Officer
Ian Mackenzie	Director of Information & Facilities
Mark Preston	Director of Organisational Development and People

In attendance

Alan McCarthy	Trust Chairman
Peter Burnett	Deputy Chief Finance Officer
Colin Pink	Head of Corporate Governance
Catriona Tait	Head of Costing & Service Line Reporting (Committee Secretary)

1	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p><u>Apologies:</u></p> <p>Apologies were received from Paul Biddle (Non-Executive Director) and Gillian Francis-Musanu (Director of Corporate Affairs – Colin Pink deputised).</p> <p><u>Declarations of Interest:</u> There were no declarations of interest.</p>
2	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The minutes of the 23rd February 2016 meeting were approved.</p> <p><u>Action Tracker</u></p> <p>All actions on the agenda or due to future meetings.</p>
3	<p>BUSINESS CASE INVESTMENT</p> <p><u>Radiology MES FBC Update</u></p> <p>Paul Simpson gave an update on the Radiology Equipment Replacement Programme Business Case. The Trust is taking advice from HMRC regarding VAT on a potential MES contract. The Full Business Case is due to the May 2016 Committee meeting.</p>

Schedule of Business Cases and PIRs

The Committee received an update paper on the timetable of approved and future business cases. It was agreed that the Theatres PIR would come to the November 2016 meeting.

4 FINANCE

Financial Performance M11

The month 11 Financial Performance paper was presented to the Committee by Paul Simpson, commenting that it had been a difficult year to forecast due to the severe operational pressures that the Trust has faced.

The Trust has year to date I&E deficit of £(4.8m) which is £(4.8m) adverse to the revised TDA plan. The Trust's cash balance at the end of January was £6.8m, with a forecast year end cash balance of £2.5m. Paul Simpson advised the Committee that The results had been adversely affected by the junior doctors' strike.

Paul Simpson stated that that the Department of Health are sending in support from Deloitte and PwC to review Trusts transactions for the year.

2015/16 CIP Update

Paul Simpson presented the CIP paper to the Committee highlighting The CIP delivered £439k in month and the full year forecast remains at £4.7m with additional contingency (bad debt provision) supporting the position (£83k).

Report on Trust's cash financing facilities and Creditors

Paul Simpson presented a paper on current loan and working capital agreements and advised that the Trust has drawn down all the cash available. It noted that any business cases requiring an additional loan would need to be revenue generating in a short time frame and that the cash situation will continue to require close management.

Alan Hall asked if the reablement money had been received. Paul Simpson replied that we had received £866k from the CCG but the contract with the council needs to be signed before payment is made.

2016/17 Interim Budget

Paul Simpson presented to the Committee the Interim budget. The interim budget has a base case budget of a surplus of £0.25m and the control total budget of a £15.2m surplus and the associated caveats will be discussed at the Board on 31st March.

	<p>The discussion focussed on five areas, each of which was supported by a separate paper: income growth and contract negotiation, the cost improvement plan (CIP), productivity and capacity, cash and the capital budget. The Committee noted that 39% of the CIP the target of £9.2m had yet to be validated and that a figure of (£3.6m) was recorded as a risk. Additional work over the next four weeks will reduce this figure.</p> <p>The Committee recognised the progress made since the last iteration of the budget and that a great deal of uncertainty remained. There was a high level of risk but work over the next four weeks will reduce this.</p> <p>The Committee recommends the adoption of the Interim budget for 2016/17 to the Board.</p>
<p>5</p>	<p>WORKFORCE AND ORGANISATIONAL DEVELOPMENT</p> <p><u>Workforce and Organisational Development Report M11</u></p> <p>Mark Preston presented the Month 11 Workforce and Organisational Development paper. The reported highlighted:</p> <ul style="list-style-type: none"> - the appointment of a freedom to speak up guardian, - Achievement reviews – a timetable has been set and all staff 8a and above will have an objective to complete the reviews for all their staff - Trade Union Staff Survey – results were in line with the Trust staff survey - Junior Doctors strikes and the Trust role in implementation <p>The Committee also discussed SASH + role out and training, and an annual Training Plan which would come to a future FWC and include MAST.</p> <p>Action: An annual Trust training plan to be presented to the Committee MP</p> <p><u>Workforce KPIs</u></p> <p>Mark Preston presented the new draft Workforce KPIs to the Committee which were reviewed and welcomed. The key measures would be included in the Integrated Performance Report presented to the Board. It was agreed that a Workforce Plan showing numbers of staff would be presented to a future FWC.</p> <p>Action: Workforce Plan showing numbers of staff presented to the Committee MP</p> <p><u>Assessment of Trusts position v the Rose report on NHS leadership</u></p> <p>Mark Preston presented the paper to the Committee. Richard Durban commented that it gave the organisation good assurance that it was in line with the report’s recommendations.</p>
<p>6</p>	<p>CAPITAL AND ESTATES</p> <p><u>Capital & Estates Report M11</u></p>

	<p>The M11 Capital and Estates report was noted and accepted by the Committee</p> <p><u>2016/17 Capital Budget</u></p> <p>Ian Mackenzie presented the Capital budget and highlighted that the major schemes are all on target and that a ward improvement budget is included. Richard Durban asked about the budget for the redevelopment of the East Entrance as an outpatient area. Ian Mackenzie advised that this was not funded as part of any scheme that has been approved.</p> <p>The Committee noted the allocation of the £8.9m budget and that the return of the £3.0m capital transferred into revenue in 15/16 will add to the capital resource limit for the Trust.</p>
7	<p>IT</p> <p><u>IT Report M11</u></p> <p>The IT report was noted and accepted by the Committee.</p>
8	<p>GENERAL</p> <p><u>Date of next meeting</u> Tuesday 26th April 2016 8.30am – AD77</p>