

Minutes of the Finance and Workforce Committee
Held on 15 December 2015 at 8.30am
In AD77, East Surrey Hospital, Redhill
PUBLIC

Present

Richard Durban	Non-Executive Director (Chair)
Paul Biddle	Non-Executive Director
Paul Simpson	Chief Finance Officer
Angela Stevenson	Chief Operating Officer
Ian Mackenzie	Director of Information & Facilities
Gillian Francis-Musanu	Director of Corporate Affairs

In attendance

Alan McCarthy	Chairman
Sue Jenkins	Director of Strategy
Janet Miller	Deputy Director of Human Resources
Ben Emly	Head of Performance
Peter Burnett	Deputy Chief Finance Officer
Alison James (part meeting)	Associate Director, Medicine Division
Julian Webb (part meeting)	Clinical Lead for Emergency Medicine
Charminia Fletcher (part meeting)	Service Manager, Medical Specialties
Mohammad Luqman (part meeting)	Radiology Services Manager
Catriona Tait	Head of Costing and SLR (Committee Secretary)

1	<p>MINUTES AND ACTIONS OF THE PREVIOUS MEETING</p> <p>The minutes of the 27th October 2015 were approved.</p> <p>The Committee sought an answer to the change in the non-pay in relation to a reduction in non-pay variance on page 8 of the Financial Performance M06 report. This has subsequently been confirmed to have been caused by the rephrasing of the TDA Plan.</p> <p><u>Review of Actions</u></p> <p>The action tracker was presented.</p> <p>Janet Miller confirmed that the current rate of completion for <i>Achievement Reviews</i> is 72%. A hierarchical view of compliance will be presented to the next meeting.</p> <p>Angela Stevenson confirmed that the risk and benefit sections for the <i>Integrated Discharge Unit FBC</i> would be updated for next month's meeting.</p> <p>All other items due for November are included on the agenda.</p>
2	<p>BUSINESS CASE INVESTMENT</p>

ED CT and Resus Full Business Case (FBC)

Alison James presented the CT and Resus in the Emergency Department Full Business case. The Committee was advised that the cost of the project had reduced by £80k from the OBC and that it would deliver patient safety and quality improvements to Emergency patient by providing 24 hour access to a CT within the Emergency Department.

Richard Durban asked about the recruitment of staff and the costs in the business case for staffing. Mohammad Luqman replied that the department had had issues recruiting Radiographers but this is now improving. Alison James added that the Trust would have 8 months from the approval of the business case to recruit the staff.

Richard Durban asked about the quantifiable benefits of the investment. Alison James responded that these could be added to the business case and circulated.

Action: Benefits of the business case to be updated are circulated to the Committee AS

Sue Jenkins asked if the 9-5 option of additional hours is reflective of when the activity increase will be. Julian Webb confirmed that the out of hours scanning will now all be done in ED and the resource change is to have both the current CT in Radiology and the ED CT running between 9-5.

The Committee approved the business case

MES Update

Paul Simpson provided a verbal update on the Radiology Managed Equipment Service and the Managed Print Service.

Paul Simpson advised that the Radiology Managed Equipment Service OBC is with the TDA Capital Committee for approval. Issues with the scheme due to VAT rule changes have been shared with the preferred provider and will be reviewed as part of the FBC process.

Paul Simpson confirmed that the Managed Printer Service full business case is being finalised following a review of the Trust print requirements. The OBC had a value of £1.3m but the FBC is expected to be less than £1m over the 5 year contract. **It was agreed therefore that if the cost is less than £1m the FBC can be approved by the Trust Executive Committee rather than the FWC.**

3 FINANCE

Financial Performance M08

The finance performance paper was presented by Paul Simpson and noted that the Trust had an adverse variance of £0.6m against the M6 forecast. The other highlights included:

- At Month 8 the Trust had YTD I&E deficit (after donated asset technical adjustment) of £4.8m which is £2.2m adverse to revised TDA plan
- The reasons for the financial performance remain the same, an increase in Emergency

- activity that is impacting on Elective activity and driving up costs, notably agency costs.
- The Trust forecast position remains a £1.6m surplus but this will be discussed at the December Trust Board meeting.
 - The Trust's cash position at the end of November 2015 was £5.0m.
 - The capital spend forecast this year remains £17.1m

Paul Simpson stated that the Trust is now significantly adverse to the TDA resubmitted plan and the reasons for the performance remain the same. Paul Simpson advised that the position has not improved as forecasted and the elective activity is now going against plan tracking

The Committee noted the worsening position and the impact on the M8 Forecast due to be discussed at the Private Board. The Trust is having conversations with the TDA over a capital to revenue transfer for 2015/16, this may total some £3m. Paul Simpson will provide a brief on the impact on the capital programme and advised that the conversion of working capital facilities to loans is also being discussed.

Paul Simpson advised that the Trust was still experiencing delays with CCGs on cash receipts but that advances had been agreed. Paul Simpson stated that the TDA and the DH are requiring Trusts to convert their working capital facilities to loans and that the Trust is planning to make an application to the ITFF Board at the beginning of 2016. Paul Biddle asked if that cash request would be to fix the cash shortfall for the year or just in the short term as the Board, as responsible for ensuring the Trusts going concern, needs to ensure cash resources until March 2017. Paul Simpson replied that the application would be for £18m as this is the recognised gap in the Trusts balance sheet position.

2015/16 CIP Update

Paul Simpson presented the 2015/16 CIP Update to the Committee and highlighted that the CIPs are not delivering and there had been an adverse movement due to operational pressures. Year to date £2.8m of CIPs have been achieved aided by £0.6K of non-recurrent contingency savings. The forecast is to deliver £4.6m (including the £0.6m contingency) against a target of £8.2m, a worsening of £0.35m since Month 7.

2016/17 Budget Update

Paul Simpson presented the 2016/17 budget update. For the tariff deflator prudence has been applied to the modelling with 3% efficiency requirement being used. There was full discussion around the risks to delivering a largely cost reduction based CIP and the benefits of the inclusion of Productivity related CIPs. The Committee noted the indicative CIP for 2016/17 as presented.

4 WORKFORCE AND ORGANISATIONAL DEVELOPMENT

Workforce and Organisational Development Report M08

The report was noted by the Committee.

5 CAPITAL AND ESTATES

	<p><u>Capital & Estates Report M08</u></p> <p>The report was noted by the Committee.</p>
6	<p>IT</p> <p><u>IT Report M08</u></p> <p>The report was noted by the Committee.</p>
8	<p>GENERAL</p> <p><u>Date of next meeting</u> Monday 25th January 2016 3.30pm – AD65</p>