

TRUST BOARD IN PUBLIC		Date: 31 th August 2017
		Agenda Item: 4.3
REPORT TITLE:		Finance and Workforce Committee (FWC) Chair Update
NON-EXECUTIVE SPONSOR:		Richard Durban Non-Executive Director & Chair of FWC
REPORT AUTHOR (s):		Richard Durban Non-Executive Director
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)		N/A
Action Required:		
Approval ()	Discussion (√)	Assurance (√)
Purpose of Report:		
To provide an overview of items approved and discussed at the recent FWC and to give assurance to the Board on progress.		
Summary of key issues		
<p>The Finance and Workforce Committee – Public met on 29th August 2017. The main topics covered were as follows:</p> <ul style="list-style-type: none"> • NNU OBC • Finance • CIP Update • Workforce and Organisational Development • Capital and Estates • IT 		
Recommendation:		
The Board is asked to note the report and take assurance.		
Relationship to Trust Strategic Objectives & Assurance Framework:		
SO5: Well led - Become an employer of choice and deliver financial and clinical sustainability around a patient focused clinical model		
Corporate Impact Assessment:		
Legal and regulatory impact	Ensures the Board are aware of current and new requirements.	
Financial impact	N/A	
Patient Experience/Engagement	Highlights national requirements in place to improve patient experience.	
Risk & Performance Management	Identifies possible future strategic risks which the Board should consider	
NHS Constitution/Equality & Diversity/Communication	Includes where relevant an update on the NHS Constitution and compliance with Equality Legislation	

Attachments:

FWC Chair Update
Neonatal OBC addendum
Risk page from the Month 4 Finance report

Neonatal Unit (NNU) OBC plus addendum

The July FWC had requested additional information in support of the OBC to expand the NNU and this was provided as an addendum. In particular the OBC had omitted the long list of options and the Committee wished to review these.

Options that had been considered and rejected for the shortlist were:

1. Reduce demand. This was considered and rejected as having only a marginal impact on capital costs; being contrary to a national service guarantee and would result in a substantial loss of income.
2. Alternative locations on the ESH site were considered and rejected as none were able to provide sufficient space while retaining co-location with the labour ward.
3. Additional capacity was considered and rejected as activity growth beyond that included in the OBC is unlikely in the medium term. Such future proofing would require expansion of the maternity service and the costs would be considerably greater than that required for the alternative location option above. The Committee noted that the strategy not to exceed 5,000 births pa needed to be formally recorded as it was a departure from the last Board approved strategy as articulated in the IBP.

The Committee discussed the timing of the proposed implementation. The NNU team made the argument for the work to commence as soon as possible. However the Committee was informed that due to lack of capital funding it could not be accelerated. RD emphasised to the team that the need for the investment had been accepted at the July meeting and that the debate had centred on prioritisation against other candidate projects and alternative ways of delivering the required changes to the NNU.

The Committee noted the comments on Outpatients and that the business case for relating to the relocation of antenatal and Dental services would form part of the current review of the Outpatient strategy. This would be brought to the Board in due course - no timetable has yet been agreed.

It was agreed that Dental Services would also be reviewed at a future FWC, including this investment and the SLR position.

It was noted that the NNU OBC was on the Public Board agenda. This was to discuss governance issues rather than repeat the FWC discussion. In particular no capital funding had been allocated against the NNU business case in the 5 year programme. The Committee's view was that strategic discussions around services, estates and capital investment were needed at the Board to set the direction and context within which business cases would be developed. These would then be progressed as now via the FWC.

It was noted that it had been agreed that the SQC would seek assurance over risks in the NNU both before and during implementation of the business case.

The Committee approved the OBC. The FBC was scheduled for March 2018.

Finance

The Committee noted that whilst the Trust was reporting a £2.7m surplus at M04, there was increased risk against achieving the £21.3 control total surplus; this was now stated as £16.3m, including £7.5m of STF risk.

The drivers for this were the same as evidenced in Q1 – adverse elective inpatient, day case and out-patient income and over-spending in all divisions (except Surgery). The reliance on contingency to hit the CIP trajectory, on the 2% divisional challenge to deliver £3.3m of the £5m stretch and the under-delivery of productivity savings were also noted.

The Committee discussed the position in some detail and it was agreed that the key was to improve the income position through greater efficiencies in Outpatients, notably through utilising all available slots in clinics. The actions to make this happen were discussed including when they would deliver improved performance on a timely basis.

The Committee would revisit these issues at the next meeting. The next detailed financial forecast will take place after month 6.

Workforce and OD

The Committee noted that all the highlighted KPIs showed adverse movement in M4:

Turnover has increased by 0.11% to 15.94% for the Trust as a whole and by 0.9% within nursing at 16.75%

- The overall Trust vacancy rate has increased by 0.8% to 10.4% and for Nursing this has increased by 0.69% to 17.57%
- Sickness in July increased by 0.27% to 3.82%
- MAST Training compliance has fallen to 76%
- Achievement Reviews had not hit the planned trajectory
- Agency use remains high

The Committee discussed whether the issues were independent of each other or there were common underlying drivers. MP responded that turnover and vacancies impacted on other KPIs eg sickness, delivery of AR, Mast training.

The Committee explored current actions to address these core issues including the balance between HR led initiatives and line management actions, and the definition of future job roles, It was agreed that future reporting would provide greater focus and visibility of the underlying drivers.

The Committee also noted that other Workforce measure eg staff survey and the FFT showed positive results.

Estates and IT

PS clarified the capital funding position.

The Committee noted that the STP funding bid for the Pathology Joint Venture had been unsuccessful. However we meet the criteria to be considered for the second tranche of funding and a bid was in progress.

EPR cash has not yet been released by DoH . This will delay the signing of the contract with Cerner which was due on 1st September and therefore implementation. IM will update the Committee at the next meeting

The Committee noted that Kingsfold (Ambulatory Care Unit) was on target to open on 18th September and that the extension to A&E will open in October.

