

Minutes of the Finance and Workforce Committee
Held on 24 January 2017 at 8.30am
In AD77, East Surrey Hospital, Redhill
PUBLIC

Present

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

In attendance

Alan McCarthy	Chairman
Peter Burnett	Deputy Chief Finance Officer
Anna Wickenden (part meeting)	IT Programme Manager
Catriona Tait	Head of Costing & Service Line Reporting (Committee Secretary)

1	<p>WELCOME AND APOLOGIES FOR ABSENCE</p> <p><u>Apologies:</u></p> <p>There were apologies from Ian Mackenzie (Director of Information & Facilities) and Gillian Francis-Musanu (Director of Corporate Affairs).</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 20 December 2016 meeting were approved.</p> <p>It was agreed that the Actions relating to Private Patient Policy, Governance and Business Planning should be moved to the Board.</p>
3	<p>BUSINESS PLANNING</p> <p><u>Workforce & OD Strategy</u></p>

The Committee received the Workforce Divisional annual strategy/plan. The paper recognised that the overall purpose was to help to deliver the Trust's Workforce/OD strategy. It analysed the Strengths, Weakness, Opportunities and Threats of the division, identified 25 priorities and described some resource implications of the plan.

The Committee noted that the Trust's Workforce/OD strategy needed updating in the context of the STP, likely service changes and significant workforce challenges. It would need to cover, inter alia, culture and projected establishment. Once this had happened the divisional plan could be confirmed or amended as appropriate.

The Committee welcomed the review of the division and made the following suggestions; to consider alternative models of HR support and recommend the most appropriate, to do this in a context of a flat or declining HR spend and to reflect or reject STP thinking on shared HR services.

EPR Digitise Full Business Case (FBC)

The EPR Digitise FBC was presented. The new software capability would expand our current Cerner system to include an upgraded PAS for 18 week wait and RTT management, EPMA, electronic clinical documentation, vitals device integration, bedside device integration, automated sepsis and, aki alerts, and health Information exchange.

The total capital cost was £4.5m (£2m in 17/18, £2.5m in 18/19). There is a revenue deficit net of cash releasing benefits of (£5.5m) over 7 years with (£0.4m) in 17/18 and (£0.8m) in 18/19.

The Committee discussed the following.

Capital. The source of the capital was unclear. Options were a loan, CRL and STP monies. If it was funded from CRL other projects would need to be dropped from the capital programme or be dependent on obtaining a loan. The CFO will clarify the situation via e-mail.

Revenue. The large deficit results in a documented risk that the project may need to be deferred for financial planning reasons. The Committee explored the possibility of additional cash releasing savings mitigating the deficit. It noted that Cerner would assist in base lining savings. The Committee will receive an update on financial planning including the timing of this project at the next meeting.

The Committee approved the OBC, subject to confirmation by email from the CFO on the source of Capital funding.

4 FINANCE

Financial Performance M09

The Trust achieved a £2.0m surplus at the end of December, £(3.0)m adverse to the YTD planned 5.0m surplus. The YTD position includes £4.9m planned and actual Q1 & Q2 STP funding.

	<p>The Trust has revised its forecast this month to a £0.3m surplus. This is due to the retention by the Trust's Commissioners of £3.3m of marginal rate emergency tariff and readmission deductions, non receipt of £4.9m STP funding for Q3 & Q4, and the £6.7m balance relates to lost contribution from the expected non delivery of planned elective income and CCG contract deductions. The Trust has followed the formal protocol prescribed by NHSi and has formally notified them of the £0.3m FOT and the risks associated with its delivery.</p> <p>YTD agency (and NHS locum) spend is £15.3m which is £(2.6)m greater than the £12.6m plan. This spend is mainly driven by the on-going difficulty in recruiting sufficient numbers of permanent/bank nurses and junior doctors. There was a £0.3m increase in monthly agency spend during December, reflecting the additional pressures caused by emergency activity during this period.</p> <p>The cash balance at the end of December 2016 was £5.3m. The Trust has drawn down £7.3m revolving working capital in 2016/17 of which £2.5m was repaid as at December and plan to repay a further £1.25m in January 2017. This cash has supported on-going improvement in BPPC performance which is now 80% by volume, 80% by value year to date.</p> <p>The Committee discussed the risk to achieving the £0.3 surplus and the resulting mitigating actions.</p>
5	<p>WORKFORCE AND ORGANISATIONAL DEVELOPMENT</p> <p><u>Workforce and Organisational Development Report M09 and M09 KPIs</u></p> <p>The Workforce & Organisational Development report and KPIs were received. The Committee noted the good level of Achievement Review compliance and asked how the quality of these achievement reviews was being assessed. It was advised that this would be through the staff survey, where there was a specific question regarding achievement reviews.</p>
6	<p>CAPITAL AND ESTATES</p> <p><u>Capital & Estates Report M09</u></p> <p>The Capital report which was received and noted.</p>
7	<p>GENERAL</p> <p><u>Date of next meeting</u></p> <p>Tuesday 21st February 2017 8.30am – AD65</p>

