

Minutes of the Finance and Workforce Committee

Held on 27 June 2017 at 8.30 am in AD77, East Surrey Hospital, Redhill

PUBLIC

Present

David Sadler	Non-Executive Director (Chair on behalf of Richard Durban)
Paul Biddle	Non-Executive Director
Paul Simpson	Chief Financial Officer
Mark Preston	Director of Organisational Development and People
Ian Mackenzie	Director of Information and Facilities
Angela Stevenson	Chief Operating Officer (attended part)
Gillian Francis-Musanu	Director of Corporate Affairs (attended part)

In attendance

Alan McCarthy	Chairman
Ben Emly	AD of Insight and Improvement (attended part)
Daphnee Pushparajah	Associate NED
Paula Fitzgerald	Committee Secretary
Victoria Daley	Deputy Chief Nurse

1	WELCOME AND APOLOGIES FOR ABSENCE <u>Apologies:</u> There were apologies from Richard Durban, Non-Executive Director and Chair, Peter Burnett, Deputy Chief Finance Officer, Fiona Allsop, Chief Nurse. <u>Declarations of Interest:</u> There were no declarations of interest.
2	MINUTES OF THE PREVIOUS MEETING The minutes of the 23 rd May 2017 were approved as a fair representation of the meeting, with the following amendment: Remove 'ratify' under Item 5 (Workforce and Organisational Development) to read 'Board to take responsibility for VMI compact/agreement'.

	<p><u>Actions from the Action Tracker</u></p> <p>Action 1: Closed</p> <p>Action 5: (Disputes) The Committee agreed this should be a standard item. Therefore it will be removed from the action tracker.</p> <p>Action 6: PIR on medical records to include change in work processes and OP staff not centrally located. To be brought to September meeting.</p> <p>Action: DS to confirm with RD the specific business units and information which the FWC wishes to see and then discuss this with PS.</p>
<p>3</p>	<p>Finance</p> <p><u>Financial Performance M02</u></p> <p>PS reported a better than planned M02 (by £400k) with a £0.1m surplus.</p> <p>PS highlighted the following:</p> <ul style="list-style-type: none"> • Overspend in the medical division of 0.7%, which recognising the pressures, was creditable. • WaCh overspend is of concern and they have been asked to report back to the next performance review with actions in relation to the overspend. • Cancer and Diagnostics were overspent largely due to pathology. • A review was being undertaken of Estates and Facilities • Income was down as a result of reduced volume of elective work • Theatre efficiency was down due to emergency activity • There had been more activity this year compared with the same point last year • ED attendances were rising including an increase in Surrey ED attendances and admission. • The assumption on STF was prudent – subsequently formal notification has advised ED standard delivery and primary care streaming metrics are likely to be met. • There is a £3mIn reserve specifically identified against a failure to deliver the full planned cost savings. There is not a contingency for other significant unforeseen issues. <p>The Committee discussed the relative costs of bank vs agency staff. Bank staff carry a similar cost to permanent employees and cost about 40% less than Agency staff. It was noted the 16/17 agency spend had reduced by £3m from 15/16.</p> <p><u>17/18 CIP</u></p> <p>PS highlighted the key points:</p> <ul style="list-style-type: none"> • In respect of the Cost Improvement Programme (CIP) of £6.2mIn, £0.4m (6% of CIP total) remains un-scoped. This is more than covered by the £0.5m contingency generated by additional schemes being added to the programme.

- In respect of the stretched £5m productivity programme, Divisions have now provided additional savings schemes that total £2.5m in 2017/18.
- The Sussex and East Surrey STP Finance sub-group is in the process of reviewing work across the STP in relation to the Carter priority areas.
- GIRFT – Orthopaedics – data has been published on clinical measures with comparison across the STP. The Trust benchmarks well, but this could lead to additional CIP and improved clinical performance in the Trust (for example cemented hips which are still below 50%).
- The STP has secured engagement with the local RightCare Delivery Lead – and may be one of the first in the country to combine GIRFT and RightCare work.
- NHSi have benchmarked back office functions which should be at 7pct of the pay bill. This work-stream looks at the STP comparison and opportunities for shared services.
- In respect of the Capped Expenditure Programme for the STP a submission has been made, but it contains no new commitments for SaSH. The NHSi output from the final validation of data has now been received. This does not provide significant opportunity for SaSH, but the STP work-stream potentially provides CIP opportunity. We still await NHSi detail feedback.
- Contact has been made with Shared Business Services (SBS) to consider standardising costs charged across the STP.

Action: PS to ensure the use of ‘contingency’ and ‘reserve’ and the like is consistent throughout the reports.

The Committee discussed the CEP and measures used for providers and commissioners and the issue of meeting control totals whilst meeting CEP actions.

Accounts Analysis

PS highlighted the key points:

- The Trust’s recurrent cost base has increased by £16.3m which is set off by income growth during 2016/17. Add to that the £3.0 m of additional non-recurrent income and that is how the surplus was generated.
- Spend on additional permanent staff equates to about 200 wte, as indicated in Mark Preston’s paper.
- The Trust delivered its savings plan.
- Agency spend is down by £3m in the year of which £1.4m is nursing and £1m doctors.

	<p>The Committee noted this is the first time in many years that the Trust has received an unqualified value for money opinion.</p> <p>The Committee noted improvements in recording activity and that in 2017/18 HRG4+ would correct payments for emergency activity.</p> <p>The Committee noted the work done to reduce agency costs through PMO, health rostering and the new Allocate software.</p> <p>The Committee were reassured that the push for driving down costs had not impacted on quality.</p> <p>The Committee thanked the team for producing a very good and useful report from which the Trust was able to validate savings, see trends and potentially identify areas for focus, although no such areas had surfaced from the '16/'17 analysis.</p>
<p>4</p>	<p>Workforce and Organisational Development</p> <p>MP presented the papers and highlighted the following:</p> <ul style="list-style-type: none"> • Lean for Leaders celebrated their first cohort and the programme was going well. • Achievement reviews would be back on track by the end of June. • New Junior doctors' contract – MP informed the Committee that the Trust is following national guidance. The Committee noted that we may receive a challenge from BMA in relation to GP Trainees who would be disadvantaged, however a consistent approach would be adopted. • Apprenticeships – money was in the Trust levy and available, starting with people currently on apprenticeships. • The Trust was currently looking at nursing Associate posts and VD informed the Committee that decisions were being made about which divisions would be most appropriate for the placements. Discussion took place around use of terminology in relation to Nurse Associates. It was confirmed Nurse Associates were not replacing band 5 nurses. <p>The Committee discussed the continued nursing shortage. MP informed the Committee that the focus of the Trust was on retention. The Trust has been contacted by Health Education England (HEE) in relation to 'Let's work Together' initiative. A website was available to staff with a number of topics around retention including inviting staff opinion around retention. HEE would provide regional benchmarking and MP will report back when data is available.</p> <ul style="list-style-type: none"> • MP informed the Committee that NHSI Executive Director for Nursing has invited the Trust to take part in a retention support event on 14th July. Following

this a project group would be set up and run for 12 months.

The Committee asked whether they could help escalate the recruitment issues at a wider level. MP informed the Committee that the Cavendish Coalition Group had been formed to address a number of recommendations and issues at a Government level.

Overall, despite all the significant effort on both recruitment and retention, the committee remains severely concerned that by year end the numbers of nurses will be lower not higher than at the start of the year.

- MP informed the Committee that a lot of work was taking place locally including linking in with local sixth forms to ensure we are an employer of choice.
- MP confirmed that the results of the staff survey had been linked with divisional data to pick up any trends/patterns.
- MP informed the Committee that the contract with Capsticks would end on 31st July and be replaced with a new in-house Employee Relations team.
- MP informed the Committee that the Trust was starting work with South London and Maudsley Trust around Mental Health impact assessments with 8 departments selected to look at triggers for sickness and mental health.

Establishment Changes

MP introduced the report which highlights the reasons for the increase in the Trust's establishment by 206.64 whole time equivalents (wte) in 2016/17.

It was noted that the finance and workforce data correlated.

The Committee raised the question of the budget changes line and how this was cost neutral. PS responded that all budget changes had been signed off as Business Cases. Moving forward this would be reconciled with payroll and reports would be produced 6 monthly.

Additionally "restructuring" appeared to have led to an increase in establishment which seemed to imply lower productivity.

The committee felt the report was a good start and would be useful in reviewing the structural changes over time, but that some of the detail needed work.

Action: MP to produce an interim report on establishment changes in October 2017.

NHSi Financial Improvement Programme – SASH Self-Assessment

MP informed the Committee that NHSi had recently issued a Financial Improvement document to Trusts setting out a number of actions they should consider implementing to provide more robust financial management. These were specifically related to

	<p>temporary staffing (i.e. Agency use). MP informed the Committee that the Trust have completed the self-assessment and are 'green' on all domains with the exception of the following which are 'amber':</p> <ul style="list-style-type: none"> • Review recruitment processes, establish and promote internal banks and support staff to develop new operating models; • Agreeing local agency pay rates collaboratively with other trusts has helped control agency costs; • Use T/FID to challenge agencies for a better deal (Large trust TD). <p>The Trust has set out current actions against each of the areas.</p> <p>Action MP: The Chair asked that the responsible person and timescale be added to the action plan.</p>
5	<p>Capital and Estates</p> <p>IM presented the key highlights from the report:</p> <p><u>Pathology Joint Venture</u></p> <p>IM informed the Committee that the procurement method chosen is ProCure22. Three suppliers are working on expressions of interest to be submitted by 23rd June. Evaluations will take place in July.</p> <p>The Committee asked for clarification on whether BSUH had reached agreement on the pathology site. IM informed the Committee that the management contract had been signed and the siting of the building was waiting agreement from BSUH Board. PS informed the Committee that Bruce Stewart was helping with the communications with BSUH.</p> <p>A bid for funding has been submitted to the recently announced £325m STP fund but as yet no feedback has been received. NHSi are yet to sign off the Pathology Joint Venture capital business case.</p> <p><u>Surgery Centre</u></p> <p>Work continues on time and on budget for the completion of the new surgery centre which will open to its normal function on the 26th June. The first patients in the unit were IRU inpatients who were decanted as part of the Ambulatory Care Unit project.</p> <p><u>Ambulatory Care Unit</u></p> <p>The 26 modules for the Ambulatory Care Unit have been placed. There will be twelve weeks of construction works with the unit opening in early September. IM informed the Committee that there will be a rolling programme of modernisation over the next 4 years. The Committee were reassured that the decant facility will not be used as an escalation area, but to allow refurbishment of wards each of which would take 3 months.</p>

<p>6</p>	<p>IT</p> <p>IM presented the key highlights from the paper. The format of the paper includes more information on EPR.</p> <ul style="list-style-type: none"> • The EPR Digitise loan was approved by NHSi and is going to DoH for funding. • There is a 12 week lead time from contract signing to Cerner releasing project resources. NHS Global Digital Exemplar Trusts have not received their funds from NHS England so have not signed contracts with Cerner so there is a possibility we could sign before them potentially reducing that lead time. • Planning is in progress - job descriptions are being compiled for all project resources, secondment positions are being identified, stakeholder matrix is in progress to identify clinical leaders, PID was approved by the Clinical Informatics Board in May and a communications lead has been assigned to the programme.
<p>7</p>	<p>General</p> <p><u>Any Other Business</u></p> <p>There was nothing to report</p> <p><u>Issues to report to the Board of Directors</u></p> <p>There was nothing to report</p> <p><u>Date of next meeting</u></p> <p>25 July 2017 at 8.30 am AD77, Trust Headquarters</p>