

Meeting:	Brighton and Sussex University Hospitals NHS Trust Board of Directors
Date:	30 March 2015
Board Sponsor:	Chair(s), Finance and Workforce Committee
Paper Author:	Chair(s), Finance and Workforce Committee
Subject:	Finance and Workforce Committee – March 2015

Executive Summary

The report describes the discussions at the Committee regarding Month 11 financial performance and delivery of the CIPs programme; and the annual financial plan for 2015/16, which will be discussed at the Board.

The Committee further considered the findings of the national staff survey which will be discussed at the Board in April alongside the new People and Well-Being Strategy.

The Committee discussed strategic developments with regard to radiotherapy and integrated sexual health services which will also be discussed at the Board.

Links to strategic objectives	High Performing ✓
Identified risks and risk management actions	Delivery of the planned surplus and CIPs programme; appraisal rates
Resource implications	The M11 finance report will be considered at the Board meeting
Legal implications	None identified
Report history	The Chair(s) of the Committee report to the Board following each meeting of the Committee
Appendices	None

Action required by the Board

The Board is asked to note the Finance and Workforce Committee report.

Report to the Board of Directors, 30th March 2015
Finance and Workforce Committee Report

1. Finance Report

The Committee noted the reported deficit for Month 11 of £3.8m which was £5.3m behind plan. Though December and January had been close to breakeven representing a modest improvement on earlier trends, financial performance for February showed an unexpected over spend of £0.6m. It was noted that the pay trend for both medical and nurse staffing continued to be stubbornly high. Similarly, Booking Hub and Midwifery were overspending on staffing. The Committee noted that operating costs to date were £15m overspent: pay costs accounted for £11.8m of this sum and non pay accounted for £3.2m. Pressure on non pay related spending also remained significant. The CFO advised that steps had been taken to strengthen controls particularly in the use of bank, agency and locum staff. The trend for pay expenditure had been moving upwards since 2013. Reliance on agency and flexible labour (bank and agency) had resulted in an unplanned increase in staffing spend to £27.5m for the year to date. This compared most unfavourably with a reported staffing figure of £21.6m for the same period last year, a spending increase of £6m. The Committee discussed the risks to income, proposed mitigations and the additional controls needed over expenditure. The CFO reported that there was significant risk to achieving the planned year-end surplus of £2.1m. There was also some risk to securing all anticipated CQUIN funding and winter surge monies. Slippage in the Efficiency Programme needed to be recovered. There was uncertainty over the final position on CCG income (Horsham and Mid Sussex, Crawley). The CFO provided assurance that discussions were taking place with Commissioners on an almost daily basis.

2. Efficiency Programme and CIPs

The Committee was presented with the progress report for Month 11 and an overview of the CIPs planning process for 2015/16. Beverly Thorp, Programme Director Delivery Unit, reported the headlines and advised that Programme performance overall was good and would deliver £31.25m for the full year against a plan target of £32.4m, a shortfall of £1.150m. The Committee recognised that this was a considerable achievement. It was noted that a small number of work-streams had made slow or no progress (such as Education and Training) and some had still to prepare detailed delivery plans. It was reported that planning work was being undertaken for next year's CIPs programme and assurance was provided about the overarching processes to support the twelve directorates to prioritise and deliver their plan targets and to ensure stronger ownership of projects locally. Risk work-streams for next year were identified: workforce, nursing, site reconfiguration, service development and patient flow. The Programme Director advised that delivering a further year of savings and efficiencies of c £30m would be challenging against a backdrop of increasing elective and non elective pressures. Change consultants were engaged in supporting some of the bigger work-stream projects.

3. Annual Financial Plan 2015/16

The CFO reminded the Committee about the objections which had been raised by a significant number of trusts regarding tariff setting for 2015/16. These objections had resulted in an enhanced tariff offer. Separately, the outline contract had only been communicated in the last few days.

The Committee was advised that further detailed work had still to be done on the key financial assumptions to prepare and finalise the Annual Financial Plan for 2015/16. The CFO stated that an income and activity plan of £440m could deliver RTT and other performance targets but would necessitate increasing volumes. The Committee

was informed that CCGs were unlikely to agree to increase volumes and in any case had yet to confirm activity targets for next year. It would also be necessary to exert tight control over the pay bill back to previous levels at c £300m and to deliver a total CIPs target of £30m for next financial year. This plan would potentially generate a surplus of c £5m, approximately 1% of turnover, with a risk rating of 3.

The CFO confirmed that next year's financial plan would be an item for discussion at the March Board Meeting.

4. Central Booking Hub

The Committee was introduced to Liz Pickering, Head of Centralised Booking and Clinical Administration Services who had recently commenced employment at BSUH. Liz was accompanied by Sally Howard, Director of Scheduled Care and Service Transformation. A brief update report was provided for information only. The Committee was advised that considerable progress was being made with Booking Hub activities though this had not been made clear in the report. It was noted that progress/update reports were also being provided to a range of other/external stakeholders. The Committee requested that care be exercised over sharing sensitive information which could be taken out of context, misinterpreted or misunderstood. Liz advised of some benchmarking work which had been done with Barts Health NHS Trust booking hub, a service of comparable size and scale. The Director of Scheduled Care advised that focus remained firmly on the five step action plan previously presented. To ensure that the Hub was established on a sustainable basis, the Committee was advised that considerable further resources and additional staff would be required. Doing nothing and working within the existing resources and headcount was not an option and risk compromising service delivery.

The Committee asked that work be undertaken without delay to review the original business case. In addition, consideration needed to be given to physical space planning, benefits attribution/realisation, redistribution of staff from other teams/departments, original baselines and objectives, IT and telephone technology.

5. HR Dashboard

The Committee noted that the dashboard had been significantly shortened in format to reflect an earlier Committee request for HR information to be up to date and relevant. Further, this dashboard was an interim one whilst work and the consultation on the People Strategy was completed. The People Strategy would be presented to the April Board. International recruitment of nurses continued apace. There was an upward drift in bank and agency rates.

The Committee discussed the need for proper planning and rostering as well as alternative ways of working to reduce reliance on bank and agency staff and increase assurance and control in back office.

6. National Staff Survey

The results of the survey were presented to the Committee. It was noted that these relate back to September last year when the survey was completed. The number of BSUH respondents was down as indeed was the number of respondents nationally. The survey respondents were chosen randomly and the survey, which was approximately 50 pages in length, had to be completed manually.

The Committee discussed the need to improve appraisal rates and their quality. Helen Weatherill, Director of Operational HR, confirmed that an OD specialist was working with her and that a number of plans were being prepared to underpin work in key theme areas. The Committee was advised that the People Strategy, Plan and

Structure would provide the framework for delivering improved staff survey results and greater staff engagement.

7. Satellite Radiotherapy Unit (East) FBC

The Committee discussed the project and considered the full business case to progress and complete the delivery of the Park Centre Radiotherapy unit. A favourable Board decision would enable building works to start on site, facilitate installation and ultimately ensure a 'go live' date of January 2016. The Committee was assured that the financial plan was robust and that the project, which had been validated by BSUH Quantity Surveyors, was considered value for money. The 'not to be exceeded price' would be met by majority loan funding with the remainder funded from the capital programme.

8. Integrated Sexual Health Services

It was noted that following detailed work on the business plan, the BSUH team was now in a strong position to sign the contract being let by Brighton and Hove City Council. The contract was for an initial duration of three years commencing 1 April 2015 with provision for a further two year extension. Central to the delivery of the integrated service was the engagement and partnership with Sussex Community NHS Trust (SCT) as a sub-contractor in the service delivery. The project team was being supported by the Trust HR team to finalise the details on the workforce and transfer of relevant SCT staff. The Committee was assured that everything possible was being done to ensure the relationship with SCT is placed on a sound footing and de-risked.

**Antony Kildare and Craig Jones
Chairs
Finance and Workforce Committee
March 2015**