

Meeting:	Brighton and Sussex University Hospitals NHS Trust Board of Directors
Date:	1 June 2015
Board Sponsor:	Chair, Finance and People Committee
Paper Author:	Chair, Finance and People Committee
Subject:	Finance and People Committee – May 2015

Executive Summary

The report describes the discussions at the Committee concerning: in-year financial performance and delivery of the CIPs programme; progress with and the costs of the booking hub; the development of the People and Well-Being Strategy which will be submitted to the Board for approval; and progress in improving the long-standing problem of appraisal rates.

The Committee also received assurance regarding the Trust systems for water management.

Links to corporate objectives	The Committee discussions concern the Trust objectives of <i>empowered skilled staff and high productivity</i>
Identified risks and risk management actions	Delivery of the financial plan and CIPs programme; appraisal rates
Resource implications	The M1 finance report and CIPs programme will be considered at the Board meeting
Report history	The Chair(s) of the Committee report to the Board following each meeting of the Committee

Action required by the Board

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

Report to the Board of Directors, 1st June 2015
Finance and People Committee Report

Items on the Board agenda

1. People and Well-Being Strategy

The Committee learned that consultation on the Strategy has been as far reaching as possible. There had been full staff attendance at a workshop following the last Board meeting which reflected the generally positive attitudes to and support for a trust wide People and Well-Being Strategy. The Operational Director of HR advised that though the Strategy was considered to be important, staff had raised a number of fundamental issues around: staffing levels; appraisal rates and equipment. Further, it was perceived that the Trust's 'grievance' culture was distracting and there was support for 'fast tracking' the backlog of grievances in the system. The Committee acknowledged the work and progress to date and that the final Strategy approved by the Board would be the start of a journey of change and programme/process improvement.

2. Finance Report

The CFO reported on discussions which had taken place with the TDA regarding the Trust's financial target for the year. Achieving a breakeven position was considered challenging given the continuing pressures to improve RTT performance, to respond to increasing A&E demand, to address the appropriateness of admissions, throughput and discharges and to reduce cancellations of elective procedures. It was noted that a number of acute trusts were projecting significant deficits in the range of 2 to 5% of turnover for the financial year and had informed the TDA that financial sustainability going forward was at considerable risk. The Committee was advised that further discussion with the TDA was necessary in the short term to agree the final target which would be subject to Board approval in June. The Committee considered the key risks likely to challenge breakeven: activity – delivering more activity across the board; income – challenges from commissioners, tariff and penalties; pay – run rates, recruitment, increasing costs for staffing/temporary staffing; non pay – run rates and CIPs.

With reference to financial performance in Month 1(April), a deficit of £3.2m was reported. Further, it was noted that staffing costs had increased across the board to £26.5m for the month, £1.5m more than planned.

3. Cost Improvement Programme (CIPs)

The Committee discussed the Efficiency Programme (CIPs) for 2015/16 and the risks and mitigations to the delivery of the work streams within the Programme, some of which had been rolled forward from the previous financial year. The target of £32m was considered to be challenging in the current climate but assurance was provided that robust processes were in place to ensure the deliverability of all work streams. It was noted that the Delivery Unit Team had adopted a different and more proactive approach to identifying those areas where support was most needed and to aligning resources to provide this. There was general agreement that championing ownership and engagement at local level was integral to the successful delivery of the work streams. The Delivery Unit Programme Director cited an example relating to Medical Workforce where detailed analysis had been undertaken on the use of long term locums and the potential to convert these to permanent roles, thereby generating cost savings on temporary staffing.

4. Central Booking Hub

The Committee had requested further information on the original business case, including anticipated savings, key performance indicators, cost benefit analysis,

organisational structure and staff numbers. The appendix to the paper ('Time Line of Events') provided a chronology of issues and risks which had been encountered from project initiation.

Items not on the Board agenda

5. HR Dashboard

The Committee discussed the interim dashboard which had been condensed and simplified to focus on the key people and performance indicators. In terms of risk, the top priority remained recruiting to vacancies and specifically nursing vacancies. The international recruitment drive to secure qualified nurses continued with Greece identified as the next target country. Detailed analysis had been undertaken on bank utilisation. There was a marginal increase in sickness rates, a decrease in turnover rates, whilst nursing turnover remained relatively static. Appraisal rates increased by 3% when compared to the previous month; however the base appraisal rate was only 53.4%. It was notable that several directorates had made considerable progress on their appraisal rates: Facilities and Information (90.4%); IT (74.6%). In addition, two clinical directorates, Neuroscience and Musculoskeletal, aimed to be the first to achieve a 75% appraisal rate.

It was reported that there had been a delay of two weeks by Sodexo in providing information relating to the TUPE. It was noted that there was no risk to timescale or deliverability of the transfer. The Committee heard that the most significant risk related to cost for which information on the staffing model was awaited. There was a brief discussion about the Living Wage.

6. Appraisal rates

A report on the historical challenges faced by the Trust in achieving high appraisal rates was discussed by the Committee. It was noted that the CQC inspection report published in August 2014 had found the Trust to be non compliant with the regulations concerning supporting staff in respect of training, professional development and appraisal. The Committee was informed that work was being done to create a more cohesive infrastructure but processes needed to be better aligned. The Committee heard that on occasion reporting was inconsistent across the Trust resulting in inaccuracy when recording actual appraisal activity (the number of completed appraisals). Further, there was work to be done to convince staff that the appraisal process was valuable and communicate the benefits. The Operational Director of HR advised that in periods of high pressure, appraisals were frequently deferred or cancelled. It was noted that some people managers were responsible for completing large numbers of appraisals (60 appraisals in one case) which was proving challenging to arrange, manage and deliver. The Committee supported the principle that every member of staff should have an appraisal.

7. HELP Annual Report

Donna Butler, Lead Psychotherapist, presented the annual report for the HELP (Health, Employee, Learning and Psychotherapy) Service highlighting key activity and trends. The Committee discussed the report, noting that the Service had been running since 2009 and demonstrated the Trust's commitment to the health and wellbeing of staff. The Service was used by significantly higher numbers of female staff than male staff. The Operational Director of HR advised the Committee that there was no plan to expand the Service in this financial year.

8. Safe Water Management

The Committee received assurance that a robust system is in place for safe water management. Valerie Unsworth, Deputy DIPC, and Lyn Allinson, Head of Risk

Management, confirmed that meetings took place fortnightly and were well attended. External validation was provided by Dr Paul McDermott. It was noted that no additional risks were highlighted as a result of the transfer of the Sodexo contract though some additional audits had been scheduled.

Antony Kildare
Chair
Finance and People Committee
May 2015