

<b>Meeting:</b>	<b>Brighton and Sussex University Hospitals NHS Trust Board of Directors</b>
<b>Date:</b>	<b>26 January 2015</b>
<b>Board Sponsor:</b>	<b>Chair(s), Finance and Workforce Committee</b>
<b>Paper Author:</b>	<b>Chair(s), Finance and Workforce Committee</b>
<b>Subject:</b>	<b>Finance and Workforce Committee – January 2015</b>

### **Executive Summary**

The Committee considered the M9 finance and CIPs reports, and risks to the delivery of the financial plan and CIPs programme. The Committee received a progress report on the Central Booking Hub and requested that further work be done as soon as practicable to define a set of clear measures by which progress and performance could be assessed. The Committee welcomed a presentation on the development of a revised People Strategy which will be discussed further at the Board.

The Committee was assured of progress in respect of water management arrangements and approved the updated Health and Safety Policy.

<b>Links to strategic objectives</b>	High Performing ✓
<b>Identified risks and risk management actions</b>	Delivery of the planned surplus and CIPs programme; appraisal rates
<b>Resource implications</b>	The M9 finance report will be considered at the Board
<b>Legal implications</b>	None identified
<b>Report history</b>	Not applicable
<b>Appendices</b>	None

### **Action required by the Board**

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

**Report to the Board of Directors, 26<sup>th</sup> January 2015**  
**Finance and Workforce Committee Report**

**1. Finance Report**

The Committee was apprised of the financial position at month 9. Though a break – even position was being forecast for the month, the overall financial position was less favourable than the previous month (month 8) and further away from the annual plan submitted to the TDA. The Committee noted a reported year to date variance which was circa £3.6m behind plan.

Though the December figures included non-recurring costs of circa £500k, it was noted that the pay trend for both medical and nursing staff remains stubbornly on the upward trajectory. The CFO reported that: there had been a 25% increase in the use of agency and flexible staff in the period; the costs for locum agency doctors was double that anticipated; and, costs for administrative agency staffing had markedly increased from £500k to £1.5m. The Committee considered that the detailed breakdown by directorate was helpful. This highlighted that all but three directorates were struggling to meet their budget commitments with income falling £8m short of the expected position at the end of Q3. The Committee discussed the risks to income, proposed mitigations and the additional controls needed over expenditure. The planned year-end surplus of £2m was considered to be a significant risk. The CFO advised further that though challenging and not without risk, it would be possible to deliver a break-even position for the full year on the basis that: expenditure on pay and non-pay was controlled; activity levels were increased to those in earlier months of this year to address the shortfall and improve run rates; discretionary spending on Waiting List Initiatives (WLIs) was ceased; the Booking Hub costs were tightly managed and permanent staff used in place of more expensive agency staff to reduce expenditure; there was more robust financial management in Medical Locums, Pathology and Medicines Management; there was a stronger management grip on all directorates. The CFO confirmed that he was writing personally to all budget managers to stress the importance of controlling expenditure for the next three months.

The CFO provided assurance that discussions and negotiations with the Trust's commissioners in Brighton and Hove, Lewes and East Sussex would deliver anticipated income. Further negotiation would be needed with Horsham and Mid Sussex, Crawley and NHS England specialist commissioners to mitigate risk.

**2. Efficiency Programme and CIPs**

The Committee was presented with the progress report for Month 9 and programme overview for 2015/16. As in previous months, it was noted that although some programme work-streams were performing well, there was an increasing number of outliers.

The Programme Director Delivery Unit advised that current operational pressures were adversely impacting on delivery in a number of work-streams and that performance was directly related to increased patient volumes. It was noted that some work-streams had yet to prepare detailed delivery plans and others had profiled delivery in next financial year. A high level risk assessment of the Efficiency Programme indicated that, unmitigated, the Programme would fail to meet the full year plan target of £32.4m and deliver £25.06m, a shortfall of c£7.3m. The Programme Director provided assurance that through attendance at regular Clinical Directorate meetings, programme performance was being robustly challenged and scrutinised. It was noted that going forward, the Delivery Unit would be integrated into directorates to provide support with work-stream delivery. Additional work was also being done to support the delivery of corporate work-streams.

The Committee noted that several work-streams had been identified as 'risk work-streams' for financial year 2015/16: Medical Workforce, Nursing, Procurement, Site Configuration, Service Development and Patient Flow.

**3. Central Booking Hub**

The Committee noted the report which sought to provide an overview of the current position on the Central Booking Hub and next stage actions. The Committee had expressed its concern over the increased operating costs, pay costs, overspending and non-delivery of planned efficiencies. It was acknowledged that there had been significant problems in set up phase and a loss of trust amongst users where initial expectations had been high. Criticism had at times been wrongly attributed to the Hub. Further work was being undertaken to analyse costs and expenditure. A Clinical Lead had been appointed until March 2015 to provide leadership for the management and development of the Hub along with the Director of Scheduled Care and Service Transformation. Support is also being provided from the Delivery Unit. In addition, a permanent appointment had been made to the role of Head of Centralised Booking and Clinical Administration Services. This Team has reviewed the original plan and developed a five step action plan for the improvement of the Hub. The Committee was advised that the ultimate ambition was to create a 'gold standard service. It was recognised that it would take some time to deliver this ambition though assurance was provided that tangible improvement would be delivered within six months.

In the interim, the Committee requested that further work be done as soon as practicable to define a set of clear measures by which progress and performance could be assessed. A RAG rating would assist in prioritisation of risks and tasks. The Committee also recommended that the proposed action plan include an additional communications strand to specifically address the negative perceptions of users and user groups within and beyond the Trust.

**4. HR Dashboard**

The Committee was advised that following a review by the Internal Audit Team, no concerns had been identified about the quality of the data provided in the HR Dashboard. The review recommended that the dashboard be simplified. The Operational Director of HR, confirmed that from 1 April 2015 a simpler, more structured dashboard would be presented to the Committee. Appraisal rates at 43% continue to be well below the Trust target, and a detailed action plan has been developed to address this.

**5. People Strategy**

The Operational Director of HR presented the outline plan to develop the People Strategy. The Committee noted that the Clinical Strategy provided a clear focus on the Trust's priorities and key activities (the 'what'). It was intended that the People Strategy would provide clarity about how these would be achieved. The engagement of staff and the workforce was considered central to the development of the People Strategy. Consultation and engagement with the workforce would be undertaken in January and February. Strategy Development would take place in March with a view to commencing implementation in April. It was anticipated that the strategy would draw on best practice across a wide range of sectors and be presented in a compelling and creative way. Best practice had been reviewed in other Trusts and organisations.

**6. International Recruitment**

The Deputy Chief Nurse apprised the Committee on progress with nursing requirement. To date 147 appointments had been made although 12 of these had

been subsequently withdrawn. Response had been good and feedback on the tailored three week induction programme had been positive. The Committee heard about the challenging conditions and competitive marketplace for experienced nurses and supported the recruitment drive to secure nursing staff through further overseas recruitment.

7. **Water Management**

The Committee heard that good evaluation and governance of water management has been achieved in the period since November 2011. There are very regular Safe Water Management Meetings, which are well supported. Hydrop, an independent contractor provides external checks and validation. It was agreed that the Safe Water Management Committee need to continue to work closely with the 3Ts Team to ensure safe and effective water management systems are designed into both the 3Ts build and temporary decant buildings.

8. **Health and Safety**

The Head of Risk Management presented a KPI report and provided an update on the Trust Risk Register, Safety Alerts, Incident Reporting and Fire Warden Training. The Committee heard that a HSE Visiting Officer had attended the Trust in October following an incidence of an electrical burn, however this has not resulted in enforcement action. The Committee considered the format of the report and agreed its suitability. This will be reviewed annually.

The Health and Safety Policy Statement was reviewed and agreed.

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