

Whittington Health Trust Board

22 May 2013

Title:		Finance and Development Committee – Review of its First Year’s Work					
Agenda item:		13/076		Paper		7	
Action requested:		For agreement					
Executive Summary:		This report reviews the first year of the operation of the Finance and Development Committee. It summarises the scope of coverage, and the role the Committee has played in supporting the Trust to: <ul style="list-style-type: none"> • ensure its financial viability and future direction, • provide effective scrutiny across its remit (including workforce, OD, estates and IT) and • prepare its overall resources for the FT application process. 					
Summary of recommendations:		The Board is asked to consider whether a change in the name of the Committee may better reflect the Committee’s extended scope.					
Fit with WH strategy:		The Finance and Development Committee was established in July 2012 to provide the Trust with a more strategic developmental and learning approach to its future financial challenges. This report summarises its first year.					
Reference to related / other documents:							
Date paper completed:		09 May 2013					
Author name and title:		Paul Lowenberg (Chair of Finance and Development Committee)		Director name and title:			
Date paper seen by EC	n/a	Equality Impact Assessment complete?	n/a	Risk assessment undertaken?	n/a	Legal advice received?	n/a



Finance and Development Committee

Review of its First Year's Work

1. Purpose

This report is presented to the Trust Board to provide assurance that the Committee has met its remit and to facilitate discussion of its key focus for 13/14.

2. Background

The Board decided in early 2012 to establish the Finance and Development Committee. It held its first meeting in July 2012. The terms of reference of the Committee envisaged quarterly meetings. Its focus was to be strategic rather than operational – focusing on future plans and investments, and the Long Term Financial Model (LTFM) as an integral component of the Integrated Business Plan (IBP) in preparation for the Foundation Trust (FT) application. However the scope and range of work that the Committee has needed to examine has necessitated additional meetings. In fact, there have been 6 meetings over the 10 month period, and the last two meetings have been full days.

During the course of the year the Trust Board extended the terms of reference of the Committee to encompass: workforce and organisational development, IT and the overall estates strategy. The Board also asked the Committee to evaluate the invitation from Barnet and Chase Farm Hospitals NHS Trust to consider entering into discussions on a potential partnership and subsequently to receive an update from the Royal Free Foundation Trust on its work in evaluating a future partnership with Barnet and Chase Farm.

3. Financial Plans and Reporting

The Committee focus over the year has been on the long term sustainability of the Trust as reflected in the LTFM, the estates strategy and the 5 year capital programme. The Committee has reviewed the Historical Due Diligence Stage 1 and 2 reports and obtained assurance that areas of weakness were being addressed, It has looked in detail at the 5 year CIP programme, and in particular it has scrutinised the programme for 12/13, and 13/14. It has considered overall CIP governance and supported the process of introducing a programme office to co-ordinate the delivery of the transformational work.

In developing and scrutinising the LTFM the Committee has reviewed growth plans as well as potential areas where income may reduce. The Committee has strongly supported the introduction of a new post of Commercial and Business Manager in order to ensure that new work opportunities are realised. We have also considered borrowing strategy in order to ensure appropriate levels of liquidity, and tested Trust proposals against both the current and proposed Monitor frameworks. Committee has also examined the downside case and mitigations in the LTFM.

The Committee has undertaken detailed assurance on the development of an overall estates strategy. It has given support to the 5 year capital programme, particularly supporting the provision of £10m investment in maternity infrastructure improvement. It has considered detailed business cases for the major capital schemes: ambulatory care and the reprovision of undergraduate

education facilities. We have also reviewed the issues related to the acquisition of the community estate.

We have reviewed the development of the Service Line Management system of reporting and agreed that major enhancements should be introduced over the course of this year including the use of a balanced scorecard approach with clinical leadership in its development, and the introduction of community services into the SLM system with early introduction of physiotherapy, podiatry and district nursing.

4. Deep Dives in Areas of opportunity or concern

Over the course of the year the Committee has undertaken a range of deep dives in order to provide assurance that key programmes of transformation and development were on course to achieve their organisational and financial purpose. This has given the Committee the opportunity to engage openly with clinicians and managers. The areas we reviewed were:

- Maternity
- ED
- Enhanced Recovery (including bed reductions)
- 2 year CIP strategy – (2013 – 15) for Women, Children and Families.

5. Organisational Development (OD) and Workforce Strategy

During the course of the year, the Committee was asked to extend its scope to encompass the critical areas of organisational development and workforce strategy. Its first focus was to ensure that there was a workforce plan consistent with the LTFM. The Committee has been concerned to ensure that the first draft plans were improved to ensure that opportunities such as reducing the use of temporary staff to the minimum necessary to provide flexibility were developed and crucially that the plans were owned by the divisions and the clinical leadership of the trust. This is seen as a work in progress and critical improvements are expected in the coming months.

With the recent appointment of the OD Director, the Committee has now begun to consider OD as the key transformational tool in achieving our change programme. At its April meeting it received an OD mindmap. In the coming months it will consider an overall OD strategy.

6. IT

Another area of expanded Committee remit is IT. The Committee now receives a quarterly progress update and looks in more detail at areas of risk or development. Our key focus has been on the rollout of the EPR project.

7. Suggested changes to the Committee's work in 13/14

Two suggestions that have come from our own review of our work are:

- The name of the Committee does not now properly reflect its remit. Taking on board the responsibilities for workforce, OD and IT, there is a view that the Committee should perhaps be called the Resources and Development Committee, as it is now critically HR and IT as well as estates that are key focuses of our work in addition to financial planning.
- If the Committee is to continue to meet on a quarterly basis, its meeting would need to be full days given the scope of its work. In discussion with Members, the preference is to go for half day meetings, so after the summer break it is suggested that we move to a 6 week cycle of meetings so that we have 8 meetings over the course of the year.

8. Conclusion

Overall the Committee is of the view that its first year of activity has provided added assurance and further strategic focus for the Trust Board on the range of resource and development functions within its remit. The coming year will hold key challenges in terms of:

- finalising a LTFM linked to the IBP,
- delivering a £15m CIP programme in 13/14 and clear programmes for the following 2 years,
- significant estates issues including integrating the community estate, completing the ambulatory care centre for a successful launch, and development of the maternity strategy
- development and effective launch of an OD strategy and a workforce plan consistent with our IBP
- roll-out of the first stage of our EPR in the hospital and preparation for community implementation in 14/15.

9. Recommendations

That the Board considers the suggestion to change the name of the Committee and to increase the frequency of Committee meetings.