

**SOUTH EASTERN HEALTH & SOCIAL CARE TRUST**

**Minutes of a meeting of the South Eastern HSC Trust  
Finance Committee held on Friday 30 June 2017 at 2.30pm  
in the Boardroom, Trust Headquarters, Ulster Hospital**

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| <b>Present:</b>       | Mr M Mawhinney<br>Ms L O'Neill  | Non-Executive Director (Chairman)<br>Non-Executive Director  |
| <b>In Attendance:</b> | Mr N Guckian<br>Mr P Morgan<br>Mr J Patton<br>Mr S McGoran<br>Miss C Hughes | Director of Finance & Estates<br>Asst Director Financial Management<br>Non-Executive Director<br>Director of Hospital Services<br>Personal Assistant |
| <b>Apologies:</b>     | Mr N Brady  | Non-Executive Director   |

**22/17 Introductions**

Mr Mawhinney welcomed everyone to the meeting. He noted that apologies had been also received from Mr McKenna, Trust Chairman, and Mr McCaughey, Chief Executive.

**Action**

**23/17 Conflict of Interest**

Mr Mawhinney checked if anyone had any conflict of interest with any items listed on the agenda and it was confirmed that there were none by all present.

**24/17 Lisburn Primary & Community Care (PCC) Update**

This item as deferred to the next meeting.

**25/17 Minutes of the Meeting held on 22 May 2017**

The minutes of the meeting held on 22 May 2017, which had been circulated with papers for the meeting, were approved.

**26/17 Matters Arising From The Previous Meeting**

18/17 Finance Report

Mr Guckian confirmed that the Trust's Annual Accounts have been laid at the NI Assembly.

**27/17 Finance Report : Month 2 (period ended 31 May 2017)**

The Financial Report (Month 2) had been circulated with papers for the meeting.

Mr Guckian noted that, as discussed at Trust Board, no allocation letter has yet been received. This is an unprecedented position and therefore the finance report does not include a projection to break even. The Department of Health (DoH) have not requested a full monitoring return (as it would be based on breakeven) but rather for an analysis of expenditure.

During a detailed review of the Finance Report, Mr Guckian noted that following intense negotiations with the Health & Social Care Board (HSCB), they have agreed to fund £10.2m of expected revenue consequences for Phase B (this is a reduced amount from the original £12.5m as it is believed that the annual cost will not be fully realised in 2017/18 due to recruitment issues and some reductions in cost). There is also a different treatment of any pay award in 2017/18 – the DoH are going to fund this centrally.

The DoH have set a regional pharmaceutical savings target of which the Trust's share is £1.5m. During the past three years there have been significant savings achieved in this area, approximately £50m, which makes the achievement of a further £1.5m unrealistic and therefore this issue is being further discussed with DoH.

Mr Guckian noted that during the first two months of the year it was anticipated that at least a £6m savings target may be required and therefore Directorates have been asked to produce savings plans to achieve £3m with a further £3m+ of slippage from service developments.

The graphs in relation to payroll, flexible staffing costs and Goods & Services spend remain broadly in line with Months 10/11 of 2016/17. Mr Guckian noted that it is not appropriate to use Month 12 as a comparator due to year-end adjustments. In relation to Domiciliary Care he noted that there was an uplift implemented at the beginning of the new financial year as instructed by HSCB and also there have been difficulties obtaining cover for additional hours requested. Whilst very early in the financial year Mr Guckian was assured by this steady state.

During detailed discussion concern was expressed regarding the continued lack of an allocation letter and Mr Guckian stated that it has been indicated that this is imminent.

## **28/17 2017/18 Savings Proposals**

The 2017/18 Savings Targets and Plans (June 2017) had been circulated with papers for the meeting this morning.

Mr Guckian noted that pages 1 – 7 of the report contained background information and pages 8-9 outlined the savings proposals. He stressed that the recruitment difficulties are well known and therefore slowing the process naturally. During discussion it was noted that “blanket bans” on posts has proved unsuccessful in the past and Directorate staff now operate a prioritisation system.

**Action**

Demography funding has not yet been received to date and therefore not allocated to Directorates. Mr Guckian assumed that any additional appointments from this funding will take a further three months to recruit and therefore felt it safe to assume six months effect of slippage. He emphasised that the slippage identified as not as a result of deliberately stopping recruitment - more from natural delays.

During discussion Mr Guckian noted that Directorate staff have made the proposals detailed in Appendix 3. The proposals have been RAG (Red/Amber/Green) rated and red rated items will be reviewed again before implementation and should only be required if significant additional savings have to be implemented. If lower amounts are required to achieve the savings target then the Executive Management Team will review the corporate position to achieve this via another method. Many of the red rated items would require a consultation process prior to implementation, unless otherwise instructed by the Health Minister.

During a review of the proposals Mr Morgan and Mr McGoran agreed that a minor amendment should be made to the wording of the potential service or other impact on the item regarding managed delay/phasing of Phase B.

PM

Mr Guckian commented that the proposal to reduce GP Out of Hours services from 3 localities to 2 may occur due to difficulties recruiting GPs to cover the current services. There is also a view that some of the savings should be shared with the Independent Sector and therefore all voluntary and independent sector contracts are being reviewed and may result in the cessation of some services eg Advocacy.

Mr Mawhinney received Finance Committee approval to forward the Draft 2017/18 Savings Target and Plans to DoH.

NG

**29/17 OBC rationalisation of Acute Inpatient Mental Health Service**

A Briefing Paper on the Rationalisation of Acute Inpatient Mental Health Services Updated Outline Business Case

(OBC), and the Updated OBC were circulated with papers for the meeting.

**Action**

Mr Maynard noted that the Briefing Paper summarised the background to this OBC. During discussion it was noted that two other Trusts have also submitted OBCs for similar facilities. Mr Guckian confirmed that the Mental Health rationalisation is now a top priority for the Trust.

In response to a query regarding non-recurrent costs, Mr Guckian advised that staff moving from Lisburn to the Ulster Hospital would be entitled to receive excess mileage. He also noted that the “do nothing” costs would require investment for the current facilities if the rationalisation is not approved. In respect of the DX rating on the current accommodation, Mr Guckian advised that this indicated that it is not economically viable to improve it to an acceptable standard.

Mr Mawhinney received Finance Committee approval to the Updated OBC.

**30/17 Update of Terms of Reference/Standing Financial Instructions**

A briefing paper of the potential changes to the Finance Committee Terms of Reference and the Scheme of Reservation and Delegation of Powers, and the updated documents with tracked changes, were circulated with papers in advance of the meeting.

Mr Guckian advised that the DoH had revised the delegated limits for Capital Business Cases and this required amendment to the Finance Committee Terms of Reference. The Terms of Reference were also updated to reflect the new membership. The Scheme of Reservation and Delegation of Powers were also updated to reflect the new DoH limits.

Finance Committee approved the amendments and these would now be discussed at the next Trust Board.

NG

**31/17 Any Other Business**

**Capital Business Case – Cardiac CT Scanner**

A capital business case for a Cardiac CT Scanner was circulated with papers for the meeting today.

Mr McGoran advised that, following prototype scanners in Israel and USA, the first Cardiac CT Scanner is being marketed and the company (GE) have approached the Trust

(and Imperial College London) to offer it at a discounted rate – the selection was based on research work carried out in this area. The only other scanner of this type will be located in the USA.

**Action**

During discussion Mr Guckian noted that the Executive Management Team had unanimously supported the purchase of this scanner. There has been one amendment to the business case circulated – the enabling works costs may range from £40k - £140k. It is expected that the revenue costs will be picked up through research funding.

Mr Mawhinney received Finance Committee approval to the Capital Business Case for the purchase of a Cardiac CT Scanner.

**32/17 Date of Next Meeting**

It was agreed that the next meeting would take place on Monday 21 August 2017 at 11.00am.