

Minutes of the AWP NHS Finance and Planning Committee Meeting

Friday 24th October 2014, 0930-1230

Seminar Room 3, Jenner House, Chippenham

These Minutes are presented for **Approval**

Members Present

Lee O'Bryan (Chair) – Non-Executive Director	Kris Dominy (KD) – Executive Director of Operations
Tony Gallagher (TG) - Chairman	Sue Hall (SH) – Executive Director of Resources

Staff In attendance

Alexander Lauder-Bliss (ALB) - Governance Support Officer (Minute Taker)	Paula May (PM) – Managing Director, Swindon – in part
Joi Demery (JD) – Managing Director, Bristol	Pippa Ross-Smith (PRS) – Deputy Director of Finance
Suzanne Webb (SW) – Head of Financial Management	Liz Richards (LR) – Managing Director BaNES (in part)
Malcolm Sinclair (MS) - Head of Strategy & Business Development (Interim) in part	Fiona Bell (FB) – Head of the Programme Management Office (in part)
Amanda Willis (AW) - Head of Procurement and Contracts	Jenny MacDonald (JM) - Managing Director for South Glos
John Ridler (JR) - Financial Controller	Paul Townsend (PT) - Managing Director, Specialised and Secure
Mathew Page (MP) - Deputy Director of Operations	Nicola Fry (NF) - Directorate Accountant
Peter Wilson (PW) - Head of Business Development	Emma Roberts (ER) - Company Secretary
Sarah Brownton (SB)	Denise Claydon (DC) - Wiltshire Managing Director
Duncan Cooper (DCo)	Berry Dennington (BD) – Non-Executive Director

Action

FP/14/079 – Apologies

1. Apologies were received and accepted from:
Graham Coxell – Non-Executive Director
2. The Chair expressed thanks for the representation from localities. The Chair then gave a brief summary of the Committee's business, drawing focus to the Month 6 report, Wiltshire locality performance, and Safer Staffing costs.

FP/14/080 - Declarations of Interest

1. In accordance with AWP Standing Orders (s7.1) members present were asked to declare any conflicts of interest with items on the Committee Agenda.
2. None were declared.

FP/14/081 - Minutes/Summary of the meeting on 19 September 2014

1. The minutes of the last meeting were received and **approved** as accurate with the following amendment:

Paul Townsend to be added to the attendees list.

FP/14/082 - Matters Arising from the Previous meeting

1. The Committee considered the Matters Arising and **resolved** to note progress and remove items completed.
2. The Chair raised concerns that the Committee were not receiving papers at a time that allowed a thorough review of the information presented.
3. The Committee **resolved** to disallow the distribution of late papers and that such papers would be deferred.

FP/14/085 – Month 6 Report

4. The Chair informed the Committee that the Month 6 Report would be prioritised and discussed first.
5. The Chair raised concerns about the way the figures are presented, with major concerns surrounding the narrative provided.
6. It was emphasised that the paper did not provide clarity about the sources of cost pressure for the Trust. In particular, the Chair stated that he could not locate the narrative for Safer Staffing, CQC impact, or the Out of Area concerns.
7. The Committee noted that the IAPT Committee paper was deferred till November.
8. SH provided context for the report and highlighted the following:
 - 8.1. The CQC costs have been reviewed by the executive team and the resources department.
 - 8.2. The 14/15 physical changes at Hillview and Juniper have been managed by reprioritising in the Capital Programme and some revenue is included in the Estates budget. The potential impact to the Trust of doing this has been identified as a risk and added to the Trust-wide Risk Register.
 - 8.3. The updated Data Centre Business Case will be coming to the Nov Committee meeting after review by Graham Coxell outside of the meeting.
 - 8.4. To support the CQC concerns, beds have been closed with no reduction in staffing, but income is not reduced due to the Trust's block contract set up.
9. SW raised the key performance indicators that had changed from last month:
 - 9.1. Cash Against Plan; green to red. Due to reprioritising of the capital programme,

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with £1,583k (19%) more cash than planned. Increased by £1,080k on M5.
This will be spent by year end.

9.2. Out of Area remains high at the end of Sept with 47 beds Out of Area. Forecast at £485k with a liability of £5.9m across the health economy.

9.3. Slippage on cost reduction plans in Pharmacy and Procurement due to staffing challenges as raised earlier, means they are unable to contribute to the cost reduction plans.

9.4. Bristol LDU; YTD over-spend of £695k and in month underspend of £23k. This was reduced on last month due to the release of £160k contingency as recommended at the last Committee meeting. The £137k underlying in month overspend was due to the increase in use of locum and consultants to cover vacancies and sick leave.

9.5. Staffing costs are underspent on permanent staff due to recruitment issues and temporary staffing costs had also reduced in M6. However, exceptions include Secure Services increase of nursing agency to maintain safer staffing, Wiltshire increase in bank cost to cover vacancies, and Bristol increase on locum and agency as above.

10. It was highlighted that the key movements to the forecast from Month 5-6 were;

10.1. The transfer of Anti-ligature expenditure to capital £1,290k

10.2. Pharmacy and procurement additional savings not delivering £749k

10.3. Additional savings found in Corporate services £914k

10.4. Cost of CQUIN implementation already forecast in LDUs £135k

10.5. Improvement of Operations forecast £120k

11. SW highlighted the actions being taken to reduce the forecast as;

11.1. Review vacancies in Corporate areas

11.2. Ensure all financial accruals are accurate

11.3. Continue to press the TDA for additional funding; as well as the CCGs for staffing cost pressures caused by Activity demand across all services.

12. The Chair opened the item up for discussion.

13. TG requested more information around an assumption for the second half of the year in regards to total pay cost and the number of staff and whether the figures were set to increase or decrease. - **ACTION**

PRS

14. TG emphasised the Chair's concerns raised at the beginning of the item around narrative and stressed that assurance was lacking on understanding the figures.

15. SH raised the need for a month on month deep dive to locate the challenges around recruitment and the added pressure it brings.

16. KD highlighted the wider area risk of Out of Area with the financial risk sitting within PICU. With the increases in Adult and Older Adult, it was emphasised that the Trust should attempt a push on the CCGs to cover costs.

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17. The Chair challenged the Committee on the confidence on the monthly forecast.
18. PRS stated that this was a worst-case scenario and that M7 has shown that it had not increased.
19. The Chair returned to the issue around the Safer Staffing narrative not being clear enough on the M6 report.
20. KD and SH gave a brief update on Safer Staffing highlighting that there is a need to reduce occupancy down to 85% as the funding currently covers this amount despite currently running at ~95%.
21. The Chair and TG emphasised a need to push back on commissioners to cover this oversight.
22. KD referenced the report that had been made for the Committee and to provide greater details when discussed under this item.
23. The Committee moved to a discussion on Bristol's impact on the budget. It was discussed that there has been a minor improvement, and the greatest risk surrounds the phasing of recovery navigators.
24. JD gave assurance that the first phase had gone successfully, and some staff had been retained in Community teams.
25. It was also raised that discussions were taking place with CCGs on acute care pathways.
26. There is a high turnover of staff in the Bristol locality and one ward has issues with sickness with bank and agency covering.
27. SH provided perspective stating that although the forecast is high, there is confidence on delivery.
28. JR provided a high level summary of the Capital Programme on page 14 highlighting that the Trust is on track to manage within resource limit for 14/15.
29. The Chair raised that he was not comfortable releasing the £250k contingency without assurance on the quality impact resolving to review again at the next meeting with more narrative on the mitigating actions. - **ACTION**
30. The Committee resolved to **APPROVE** the M6 adjustments and **NOTE** the Capital Programme.

PRS

FP/14/084 - Bristol Progress Update

31. DCo and JD provided a report that was not circulated prior to the meeting due to time constraints.
32. JD informed the Committee that a twice monthly teleconference was in place to ensure timely reporting of the Bristol transition.
33. JD ran the Committee through the Overview by Project RAG rated table on page 2/3.
34. Areas rated Red were;
 - 34.1. Community Rehabilitation; Red as interim and new build estate is behind

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schedule. SH assured the Committee that contracts were about to be agreed with Second Step with the Chair emphasising the need for learning from experience in this area.

- 34.2. Red due to delay in Knowle West and Wellspring centres. Knowle West has revised move date in April 15 following re-tender. Wellspring to move to extension in early 2016 rather than temporary building to save capital – subject to being able to extend lease at Brookland Hall.
35. The Committee were **content** with the actions in place to mitigate the risks presented in the paper.
36. JD concluded with the Key Programme Milestones.
37. The Chair requested assurances around the cost of transition. JD provided additional assurances that funding had come from commissioners. SH informed the Chair that additional funding had been set aside for Bristol during the tendering process.
38. The Chair enquired the current status of caseloads. SH stated that work needed to be done to measure caseloads and that if they had increased, more funding would be required.
39. JD informed the Committee that DCo is leaving the Trust and that she will be moving over to Lot 1 with FB taking over the programme work.
40. The Committee **NOTED** the report and thanked DCo for his work in the Trust.

FP/14/083 - Wiltshire Locality Performance

1. DC presented a high-level summary of the Wiltshire report taking the report as read.
2. DC brought the Committees attention to the following issues that needed a decision:
 - 2.1. Temporary reduction of Ashdown beds.
 - 2.2. Safer Staffing decision and budget.
 - 2.3. The temporary reduction of Beechlydene beds
 - 2.4. Funding for the position of Clinical Director.
3. DC highlighted the risks including;
 - 3.1. Circa 76 vacant posts; Currently, attempting to recruit with the biggest challenge around Inpatient staffing. This is causing a cost pressure leading to an overspend of £389k in Inpatient mitigated, in part, by an underspend in Community of £301k.
 - 3.2. Quality; The position is not favourable.
 - 3.3. CD exit; The current CD is leaving on 14th Nov creating increased pressure on clinical staff. This also causes a cost pressure due to a historical issue.
 - 3.4. DTOC/OOA; The locality is showing huge variances with OOA, day to day, 14 service users. DTOC is currently 50/50 adult and older adult. It was raised that there were particular challenges around alternatives and there is no joined up

approached.

- 3.5. The locality is working closely with the council for the re-provision of additional beds with Order of St John unable to staff them until April for serious mentally ill older adults.
- 3.6. Ashdown; PICU has had a reduction of beds from 9-6. There are challenges around staffing the unit with experienced staff, and band 5s are coming in without experience.
- 3.7. Beechlydean; Had a CQC compliance action relating to lack of staffing. Historically, the ward has been funded at a low level at 15 beds when it is currently running at 21 beds; 103% occupancy. It was raised that there was only three 136 suites across Swindon and Wiltshire making these full at all times leading to poor quality and a cost pressure. Currently on a deficit of £436k.
4. Iain Tulley is currently running a 6 monthly review and the Committee was informed that discussions around reducing bed numbers raised a number of quality issues which are being supported by agency and bank. However, this approach is becoming more challenging as the availability of bank and agency staff is decreasing as bank have been unable to recruit. Further funding will retain bank and agency.
5. TG raised that additional funding would not solve the ingrained challenges the locality has been facing.
6. Further discussions were had on the impact of closing the ward against reducing to 15 beds.
7. Discussions were had around the forecast overspend for Amblescroft at £191k due to long-term additional staffing costs. It was raised this was discussed with the CCG and that the issue needed to be escalated for a Trust-wide response. KD to develop – **ACTION** KD
8. It was raised that the disaggregation of LIFT has raised some additional, unexpected costs.
9. Positive feedback included; teams working well together, potential income generation bids such as care home liaison and early intervention service, possible selling of land at Green Lane would produce additional income.
10. The temporary reduction of beds in Ashdown was recommended by the Committee with a recommendation to go to the Executive Team to work on a solution. – **ACTION** Exec. Team
11. The Committee raised that the historical issue on funding the CD will be rectified as an appropriate use of contingency.
12. TG raised how the recruitment and staffing issue will be moved along. SH informed the Committee that a Recruitment and Retention Strategy is in development with BD offering his support in this development.
13. The Committee resolved to **NOTE** the report and **APPROVE** the use of contingency to offset historical CD funding only.

FP/14/086 – Budget Update for 15/16

1. The Committee resolved to **DEFER** the report for the November Committee.

FP/14/088 – TDA Return Month 6

1. The Committee resolved to **NOTE** the TDA Return for Month 6.

FP/14/090 – Data Centre Business Case

1. The Chair was informed that the business case for the data centre of the EPR would be coming to the next Committee meeting.

FP/14/087 –CIP Update for 15/16

1. FB presented the CIP update paper to the Committee.
2. It was raised that CIPs had delivered £646k against £650k with forecast to deliver as predicted.
3. The quarter 2 review was subsumed into the quarterly performance review for LDUs. However, Corporate deep dives have been kept and are due to finish on 27th October.
4. Assurance was provided that Corporate was not forecasting any difficulties.
5. FB went on to discuss the plan for next year with an aim for 3% strategic trust-wide schemes, and 2% on top using a top slice approach.
6. The Committee raised that Pharmacy and Procurement had not delivered on savings as shown on the Finance Report. FB stated that these were saving activities asked for in addition to CIPs and not the CIPs themselves.
7. The Committee requested more detailed narrative around the additional saving activities that were not met by Pharmacy and Procurement.
8. The Committee resolved to **NOTE** the report.

FP/14/089 – Otsuka Update (verbal)

1. The Committee received a verbal update from SH on the progress of Otsuka.
2. The following points were raised;
 - 2.1. A proposal had been sent through from Otsuka.
 - 2.2. Otsuka are working up a revised Heads of Terms with a meeting held on Thursday with Iain Tulley to go through the benefits.
 - 2.3. It had been made clear that the process allows the fulfilment of the system leadership requirement.
 - 2.4. The Trust have been asked to contribute financially. Investigations are taking place so that no additional costs will occur after implementation.
3. The Committee resolved to **NOTE** the report.

FP/14/091 – Commercial and Tendering Report

1. MS took the Committee through the Commercial and Tendering Report.
2. There was an aim to indicate growth in year and how it would pan out into next year.
3. MS raised that a deep dive needs to be done to provide more data on next year.
4. The Committee were provided with the key milestones and issues.
5. It was raised that Hillview and St Martins' are significant issues for the Trust.
6. Emphasis was placed on the Children's Interest bid and that it is crucial for Specialised Services.
7. MS informed the Committee that a more systematic pipeline process was to be implemented moving forward.
8. The Chair raised that it would be interesting to see how much is driven at Trust level and LDU level. The Chair requested that, moving forward, more analysis was needed to quantify data.
9. SH suggested that an update on bids would be circulated post-meeting. – **ACTION**
10. The Committee resolved to **NOTE** the report. **SH**

FP/14/092 – Staff Costs for Safer Staffing

1. KD took the Committee through the Safer Staffing report as requested at the last Finance and Planning Committee meeting.
2. Emphasis was placed on the need to present numbers quickly and validate by staff member for each cost.
3. A recommendation was presented to reduce occupancy to 85%.
4. The Chair raised concerns that the requested monies was not a viable long term solution. TG stated that a longer discussion would be required outside of the Committee with more detailed actions outlined.
5. The Committee resolved to **SUPPORT** the recommendation and escalate to Board level for the November Board meeting. - **ACTION** **SH**

FP/14/093 – Quality and Performance Report

6. KD presented the monthly Quality and Performance Report and treated the report as read.
7. The main issues highlighted were around referral to memory services and the DTOC bed pressures issue.
8. The Committee resolved to **NOTE** the report.

FP/14/094 – Swindon LIFT Business Case update

9. PM presented a report on the progress of the Swindon LIFT Business Case as was requested at the last Finance and Planning Committee.

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10. PM stated that the case had gone to the CCG and SEQOL without first going through the Triumvirate.
11. It was raised that work had been done to mitigate the spend down from £760k to £278k.
12. The CCG outlined that there is no intention to give AWP LIFT additional funds to mitigate this overspend of £278,626 in this financial year.
13. The CCG advised that it is likely there will be additional investment in April 2015 from the CCG into Swindon LIFT upon the move to SEQOL of £170,000 and that this will go some way to mitigate the overspend.
14. Clarity was sought from the CCG around the suggestion noted within the business case of their intention of movement into Personality Disorder, Dementia and Complex presentations.
15. The CCG agreed that there was no intention in the next financial year for Swindon LIFT to take on any additional secondary care work.
16. The CCG advised that they are supportive of this move to SEQOL and that both themselves and SEQOL are aware of the overspend the risks associated with it and the plans to mitigate this as outlined in the report.
17. The Committee raised that work that was non-commissioned should be stopped with messaging around when LIFT would commence in light of the funding received in April 15.
18. The Chair requested that the view of Iain Tulley be brought to the next meeting with a recommendation from the LDU and input from Tony to then escalate to Board – **ACTION**

PM

FP/14/095 – A.O.B

19. The Committee resolved to **APPROVE** the review of the Treasury Management Policy.
20. AW raised that a more detailed paper for procurement and contracts could come to the next Committee meeting. - **ACTION**

AW

Next Meeting: 21st November 2014

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