

Minutes of a Meeting of the AWP NHS Trust Finance and Planning Committee

Held on Friday 24th July at 9.30am, in Seminar Room 4, Jenner House

These Minutes are presented for **Approval**

Members Present

Lee O'Bryan (LOB) – Non-Executive Director, Chair Mathew Page (MP) – Acting Director of Operations
Sue Hall (SH) – Director of Resources

Staff In Attendance

Gary Bryant (GB) – Deputy Director of Finance Abigail Simpson (AS) – Corporate Governance Officer
Tony Gallagher (TG) – Trust Chair, Non-Executive Director Pippa Ross-Smith (PRS) – Head of Strategic Finance
Paula May (PM) – Managing Director, Swindon Toby Rickard (TR) – Head of Business Intelligence

FP/15/046 Apologies

1. Apologies were received from Peaches Golding and Barry Dennington.

FP/15/047 Declaration of Members' Interests

1. In accordance with AWP Standing Orders (s8.1) members present were asked to declare any conflicts of interest with items on the Committee meeting agenda.
2. **None were declared.**

FP/15/048 Minutes/Summary of the Meeting on 19th June 2015

1. The minutes of the meeting were **approved** and taken as accurate.

FP/15/049 Matters Arising from the Previous Meeting

1. Bristol Mental Health – As of 24/07, R&D have commissioned a review of the tender process. Bristol is being chased and the issue is on the CQPM agenda. The action remains **ongoing**.
2. Quality and Performance Report M12 – the issue will be escalated to Quality and Standards before coming to the Committee. Bristol performance issues taking priority currently. The action was marked as **ongoing**.
3. Budget - Safer Staffing – paper to be received by Trust Board on 4 August. The action was marked as **ongoing**.
4. PMO Internal Audit Review – the audit report has not yet been issued and the action is **ongoing**.
5. Finance Report - M1 – to be discussed as part of Finance Report later in the meeting and the action was marked as **completed**.
6. Assurance Dashboard SP4 – both additions had been made and this action was marked as **completed**.
7. Finance Report - M2 – Information not currently available, work is **ongoing** to collate this.
8. Finance Report - Secure Update – confirmed that these staff were working in Health and Safety

and rostering areas. HR business advisors are looking to move staff to other areas of the Trust, rather than just other areas of Secure. This will continue to be managed through HR processes and the action was marked as **complete**.

9. Finance Report - Bristol Update – this was discussed as part of Bristol’s operational report later in the meeting and the action marked as **complete**.
10. Horizontal Reporting from Quality and Standards – Paul Daniels has confirmed that the budget has been agreed and the action marked as **complete**.
11. Quality and Performance Report M2 – Discussed with Business Intelligence, but this issue is not fully understood. Other Trusts which we consider to be comparators are operating at similar levels so 2.9% average is not yet understood and work is **ongoing**.
12. Quality and Performance Report M2 – this was discussed as part of Quality and Performance Report later in the meeting and the action marked as **complete**.
13. Commercial and Tendering Report – Growth assumptions are being reviewed, and a recommendation will be taken to Board Seminar. The action was marked as **complete**.
14. Quarterly Letter to the TDA – AD has confirmed that the action is complete. Linda Hutchings has produced a report which was discussed at the last IDM meeting and with Penny Smith individually. The report concluded that there had been no increase in homicides, but SUIs have increased and the action was marked as **complete**.

FP/15/050 Finance Report M3

1. LO’B advised the meeting that the Wiltshire paper would be deferred to August as Denise Claydon was unable to attend.
2. GB reported a small deficit in month but that for the year to date the current position was better than planned. The challenges will increase from M4 onwards. Income is above plan and a risk share agreement is now in place with South Gloucestershire CCG, with additional funding of £583k from the CCG for 1.5 PICU beds and 2 adult beds with 75% risk share accepted by the Trust.
3. There has been an increase in the number of staff appointed in month and recruitment efforts are continuing, however we are still seeing a rising trend in agency costs. TG highlighted his concern about the cost of agency staff already incurred in year. SH confirmed that there are additional controls in place for using agencies that are not part of the framework and therefore incur higher costs. Use of agency staff across the NHS and the potential for a ban across providers has been discussed with the TDA.
4. MP advised the Committee that there is a CIP focused on reduction of use of agency staff which is overseen by the Future Focused Programme Board, within which a range of actions are being taken around rostering and recruitment.
5. TG suggested that authority was delegated to Barry Dennington by the Committee to continue leading the working group considering this issue and to report back to the Committee. This was agreed. **ACTION Barry Dennington**
6. MP advised that the Trust is looking into running a preceptorship service for Bank staff to support staff in achieving their preceptorship whilst working for the Bank. TG agreed that we need to be a more flexible employer to attract more staff. MP agreed to provide a further update to the Committee on the workstreams underway to reduce agency usage. **ACTION MP**
7. Major overspends in month 3 were £534k against clinical supplies and services, inclusive of £497k

of out of area costs, and £83k against establishment and transport.

8. Closure of Wellow Ward has resulted in an overspend of £54k, which is shown in non-pay as a savings target. Wellow Ward is due to reopen in October 2015.
9. **CIP Programme** – the Trust is £76k behind plan for the year to date, associated with drugs and procurement savings plans. Both are expected to deliver by year end and other plans are under consideration. Estates Rationalisation is £707k behind plan with assumptions being reviewed and options considered to ensure this can be achieved during the year.
10. Financial risk identified at month 3 relate to financial pressures continuing in Bristol with the position currently £82k overspent, continued overspend on pay costs in Secure Services, achievement of CIP plans and the financial gap of £2.6m, detailed in the Bristol “Go Live” Update later on the agenda. SH highlighted that although there are risks associated with the forecast there is work underway to identify mitigations to these to hit our control total. This includes use of our contingency.
11. LO’B requested that the paper includes a breakdown of both risks and opportunities in month 4.
ACTION SH
12. **Capital Programme** – is 92% behind plan to date, although this is largely to do with timing of payment for work underway.
13. In relation to the Blackberry Centre, the Committee discussed the terms offered by UWE to acquire the Freehold of the Blackberry Centre to enter into a rent free licence for the ground floor.
14. GB advised the Committee that the Investment Planning Group (IPG) considered an additional £150k to be set aside for Weston ward due to increase in building costs, and for £450k was earmarked for Trust-wide section 136 provision.
15. **Continuity of Services rating** – is at month 3 is 3 which is better than planned (2), due to our current cash position being better than plan.
16. **Budget movements** – Patient Safety Team care fund budget movement requires approval. This was previously discussed during the budget setting process and has not yet been moved.
17. The Committee resolved to **approve** the budget movements and use of Board contingencies, and agreed to recommend to the Board that the Trust accept the terms offered by UWE to acquire the Freehold of the Blackberry Centre, and to further recommend that the Trust enter into a rent free licence for the ground floor for a period ending March 2018.

FP/15/051 Wiltshire Update

1. The paper was deferred to August 2015.

FP/15/052 Bristol ‘Go Live’ Update

1. GB presented the paper and advised the Committee that following the Committee’s previous review of the operational aspects of Bristol “Go Live”, this paper considered the financial position of Bristol focusing on current budget and overspend.
2. Changes in the tender and associated income have resulted in a £2.6m financial gap. The Committee discussed the wording of the paper, reflecting that it did not make clear the Trust’s intentions in bidding for the contract in Bristol. It was agreed that there should be an update to the wording on the report’s cover sheet, to show that the Trust had tendered for a different delivery model, with a different income and cost base. **ACTION GB**

3. GB summarised the savings made since the tender of £559k of efficiencies on the original service model and a further £405k of savings then identified to bring Lot 1 back to budget.
4. The current position is £82k overspent and the current risk to break-even for Bristol LDU is £0.8m.
5. The Committee resolved to **note** the contents of report and the actions proposed/started. GB advised that a recommendation regarding reduction of cost pressures at the August meeting.

FP/15/053 Hill View Outline Business Case

1. PRS provided a verbal update to the Committee on the project to replace Hill View Lodge.
2. The TDA has confirmed it will be writing to the Chief Executive in the next week with the outcome of its review of the Strategic Outline Case.
3. PRS confirmed that her team is working on production of the outline business case to present to the Committee in August.
4. Deadlines are tight and PRS confirmed those involved understand the pressures on timescales for this work.
5. SH advised there is a tender process underway for contractors to undertake the work.
6. The Committee resolved to **note** the report.

FP/15/054 Future Focus Programme Board

1. MP presented the report updating the Committee on the business of the Future Focus Programme Board (FFPB) at its most recent meeting. MP advised the Committee that the report highlights the £1.9m reduction in overheads, discussed in more detail in the report on the Overhead Reduction Workplan.
2. During the meeting of the FFPB issues around delivery of Pharmacy savings were resolved through centralisation of Pharmacy budgets and review of inflation uplift.
3. The CIP plan within the Medical directorate associated with use of Skype was noted to not be achievable and the directorate has been instructed to identify alternative schemes to make the required savings.
4. MP confirmed that there is a Programme Manager and Project Manager starting work on the Acute Care Pathway cost reduction programme on 3 August 2015 which will progress this work further.
5. Some issues have been experienced with Quality Impact Assessments (QIAs). MP confirmed that he is working with Andrew Dean and Hayley Richards to ensure these are completed in full and with the required information to enable clear decision making.
6. The FFPB has produced a discussion paper for the Executive Team proposing that a more formal project management approach is adopted across all projects to ensure interdependencies of work are clear.
7. LO'B commented that there seems to be a fairly big emerging problem in terms of Trust-wide savings plans. SH assured the Committee that the Executive Team has recognised these issues and are working on corrective action. TG reflected that the safer staffing work is pivotal here, and stated that he felt it was possibly the time for some contingency to be used by the Trust and would like a recommendation to be brought to the August Committee meeting about the need for the use of contingency. **ACTION SH**

- The Committee resolved to **note** the report.

FP/15/055 Reference Cost Update

- TR presented the Reference Cost Update. The Business Intelligence team has been working to pull together the information required to submit the 2014-15 reference costs return and has made some changes to maximise activity. The deadline for the submission was 24 July and TR confirmed this was made before the meeting with SH's approval.
- The Trust's draft position was and RCI of 129, with the final position likely to be confirmed early the following week. This was compared to an RCI last year of 127. TR reflected that closures of beds in year and the subsequent effect of out of area usage has impacted upon the Trust's RCI.
- TR advised the Committee on the outcome of independent review of AWP costing undertaken by CHKS. The headline summary was that no fundamental issues were found in how the Trust calculates reference costs, although they made recommendations for improvement including use of the costing system and better engagement with frontline staff. The Committee welcomed this report and its findings.
- The Committee resolved to **note** the report.

FP/15/056 Quality and Performance Report

- MP presented the Quality and Performance Report for month 3 to the Committee.
- MP confirmed that further action has been taken in Bristol to improve the position.
- Issues relating to gatekeeping of admissions by Crisis teams in Wiltshire have been analysed and fundamentally these related to geographical location of teams with the Intensive team based in Devizes and emergency departments located in Bath and Swindon. These geographical challenges mean that the Intensive team were not always able to reach emergency departments to undertake gatekeeping assessments and were reliant on emergency department liaison teams to undertake these assessments. A standard has now been set for the Intensive team to undertake all assessments and this will be delivered through working with teams in Swindon and BANES.
- MP highlighted that delayed transfers of care (DTC) has increased to over 7.5% and teams are working to keep this under control with a continued dialogue maintained with commissioners.
- Achievement of the 70% target of Service Users in settled accommodation is an issue currently and is a focus for improvement through the week in focus and with locality management.
- PM confirmed that plans have been shared with the CCG to reduce the historic waiting list issues within the memory service in Swindon.
- MP advised the Committee that processes used by acute providers have been implemented to manage Trust beds, which includes RAG rating of the position on a daily basis and an escalation system. Teleconferences are held twice weekly if the position is amber and this increases if the position escalates to red. This has seen increased movement across the Trust and an increased number of service users out of area but within the Trust as usage of the Trust's own beds is maximised.
- TG requested that the report shows where the furthest out-of-area patient is being treated.
ACTION: MP
- TG asked how widely communicated the issues in Bristol have been and requested that a communication is agreed to issue to CCGs etc on the subject of Bristol's performance. **ACTION MP**

10. The Committee resolved to **note** the report.

FP/15/057 Progress on Annual Objectives

- 1.
2. **Overhead Reduction Workplan** – the Trust is seeking to reduce overheads by £1.9m (3.5%) in year. Areas focused on include Estates utilisation, PFI and IM&T. PRS advised the Committee that the Estates utilisation work has begun with work to identify staff groups and the lowest cost estate in which it is appropriate for them to work from. The Trust also needs to be smarter about how it utilises space.
3. PRS has met with Brian Saunders from the Department of Health with colleagues from Estates to discuss the Trust’s PFI contract. There is no option for refinancing within the contract and there has been a policy note from HM Treasury which discouraged Trusts from leaving PFI arrangements.
4. PRS has met with IM&T and advised that £400k of savings are planned for this year. Other Trusts have been approached for comparative information to enable benchmarking and this information will be provided to the next Committee meeting. The Mobile Working CIP is not expected to deliver any further savings but is being monitored.
5. Back office transactional costs have been reviewed, with outsourcing considered and a forecast of a £1m saving over 5 years which was lower than anticipated. The majority of these savings result to reduction of estate costs. PRS confirmed her team is now looking at how we could create savings within the Trust instead.
6. Income generation has been considered in Research and Development and Pharmacy. Once the reviews are complete the Trust will look to begin generating income later in the year.
7. Management structures will be reviewed as the Trust benchmarked as having higher numbers of admin and clerical support staff. LO’B reflected that work will need to be undertaken with Managing Directors in localities as part of this review.
8. PRS confirmed that the intended division of the required £1.9m saving will be allocated as £1m from Estates, £200k from back office transactional, £200k as an income target for Pharmacy and £500k saved through review of management structures. LO’B commented that plans do not feel well formed currently as a result of these being defined at this point in the year. SH gave assurance that the Trust is working to deliver the identified savings.
9. PRS highlighted movement between 2013-14 and 2014-15 and advised the Committee that a more sophisticated split of cost centres into direct, indirect and overhead, and expenditure into fixed, semi-fixed and variable is being looked at to improve focus on specific areas.

10. The Committee resolved to **note** the report.

FP/15/058 Commercial and Tendering Report

1. SH presented the Commercial and Tendering Report, highlighting work ongoing to tender for CAMHS and the Wiltshire community services. The presentation for the Wiltshire community service had taken place and feedback was that the panel were very supportive of the Trust’s partnership with Medvivo.
2. The Trust is talking to Bristol Community Health, Sirona and University Hospitals Bristol regarding partnership working to provide CAMHS, with Sirona as the lead provider. The Trust intends to enter into a 2 year contract only, and if this is not agreed by commissioners it will not pursue this

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bid.

3. SH confirmed that the team are working on the offender health contract (mental health & addiction element) for Bristol, and that the Trust has been successful in the tender for Swanwick Lodge with Hanham Health. The service model for the services at Swanwick Lodge was changed by the commissioner during the tender process and delivery of these services is now being reviewed to ensure this remains viable for the Trust.
4. The Committee resolved to **note** the report.

FP/15/059 NHS Pensions Employer Charter

1. The Committee was presented with the NHS Pensions Employer Charter.
2. The Committee resolved to **note** the report.

FP/15/060 TDA Oversight Return

1. SH presented the TDA Oversight Return to the Committee, noting minor changes to assurances.
2. The Committee resolved to **endorse** the return.

FP/15/061 TDA minutes

1. The Committee was provided with the minutes of the most recent meeting with the TDA to note. TG highlighted the need to ensure the actions allocated to Kristin Dominy were followed up, as outlined in the action log (4 June 2015). **ACTION MP**
2. The Committee resolved to **note** the minutes.

FP/15/062 Any Other Business

1. No other business was raised.
2. Members and attendees evaluated the meeting, reflecting that the Committee had undertaken a significant amount of business and had been well chaired. Papers were noted to have improved but further refinements were still required. A horizontal reporting process is to be introduced. Overall the Committee scored the meeting at 4 out of 5.
3. The Committee agreed to ensure that the Quality and Standards Committee is sighted on the issues in Bristol and to escalate the need to use the contingency to the Trust Board.