

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

Held on Friday 20th November 2015 at 9.30am, in Seminar Room 4, Jenner House

These Minutes are presented for **Approval**

Members Present

Barry Dennington (BD), Non-Executive Director (Chair) Tony Gallagher (TG), Non-Executive Director
Sue Hall (SH), Director of Resources
Mathew Page (MP), Director of Operations

Staff In Attendance

Pippa Ross-Smith (PRS), Head of Strategic Finance Toby Rickard (TR), Head of Business Intelligence
Peter Wilson (PW), Head of Business Development Liz Richards, Managing Director, BANES
Paula May (PM), Managing Director, Swindon
Gordon Folkard (GF), Interim Head of Operational Finance

FP/15/112 Apologies

1. Apologies were received from Peaches Golding.

FP/15/113 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/15/114 Minutes of the Meeting on 20th October 2015

1. The minutes of the meeting were reviewed for accuracy page by page.
2. It was noted that in point 6 on Page 10 GH had declared a conflict of interest in relation to the CCG Hereford Board.
3. The minutes were **approved** with the amendment noted above.

FP/15/115 Matters Arising from the Previous Meeting

1. On item one, SH advised that the Gateway Review by NHS England had not yet occurred. TG noted the importance of following this up. He suggested that it would provide external evidence that the position of AWP, the CCG and the Local Authority in relation to the Bristol contract/model was strong. SH undertook to follow this up. This item was marked as **ongoing**.
2. On item 2, SH advised that this would be dealt with in next year's audit plan. The Committee agreed that this item should be referred as horizontal reporting to the Audit Committee. The item was marked **complete**.
3. On item 3, MP reported that Claire Williamson was working with AD to review the IAPT proposal which was due to be presented to the Quality and Standards Committee in January 2016. An operational manager had been sought to oversee this, but the identified person had declined the

opportunity. The due date was changed to January 2016, but MP undertook to provide an update in December 2015. This item was marked as **ongoing**.

4. On item four, MP reported that the revised Safer Staffing model had been presented to him. Claire Mitchell had been tasked with devising a Transformation Plan to move from the current model to the interim model (from the beginning of the next rota period) and finally onto the final model from Q1 2016. MP advised that Safer Staffing would continue to be monitored and updates would be provided. TG advised that there would also be a regular update in the monthly Clinical Executive Report to the Board.
5. There was a question about how the transition to the new Safer Staffing model would be funded. MP advised that the cost would be part of the contracting round and it would likely vary from CCG to CCG. TG noted the Board assumption that savings would be made as a result of the new model. He advised that AD's report had indicated that the worst case scenario would be cost neutral, the best case would result in significant cost savings. The Committee requested that AD be asked to comment on this at the Board meeting. **ACTION AD.**
6. On item five, PM and MP advised that a meeting had been held between Swindon and Bristol to share the Learnings from Swindon. It was reported that there would be ongoing dialogue and sharing of process documents. This item was marked as **complete**.
7. On item six, BD proposed that rather than him attending the Workforce Reduction Programme, this should be moved to the Future Finance Group activities as part of the Workforce Efficiency Strand. This item was marked as **complete**.
8. On item seven, MP advised that he had spoken to James Eldred and to Mark Bunker who would include the data indicators in his Development Plan going forward. This item was marked as **complete**.
9. It was noted that item eight would be discussed during the meeting (Resource Mapping). This item was marked as **complete**.
10. On item nine, MP advised that the Bristol Case Study had not been progressed. This was deferred until the December meeting. This item was marked as **ongoing**.
11. On item ten, SH advised that the new business gap analysis was provided in the Finance Report. This item was marked as **complete**.
12. On item 11, MP advised that the evidence sought had been included in the programme board paper and the Finance Paper. This item was marked as **complete**.
13. On item 12, MP advised that a meeting had been held to discuss Trust-wide improvement based on the learning in Bristol. The process issues were discussed (i.e. instances where RiO does not provide the required information). The team was working on a way to use RiO and the Caseload Management tool to identify issues around waiting times for unallocated cases.
14. It was noted that item 13 would be discussed during the Resource Mapping section of the meeting. This item was marked as **complete**.
15. It was noted that item 14 was **complete**.
16. On item 15 it was reported that the Lot 2 Contracts had been signed. The leases had not been signed. This item was marked as **complete**.

Horizontal Reporting

17. On item 1, SH reported that AD had advised that he was working with Penny Smith. This would be evidenced by the quarterly letter from the TDA, but this had not yet been received. This item

was marked as **complete**.

18. On item 2, SH reported that the Reference Costs had not been formally released but undertook to report back to Board when the embargo was lifted. This item was marked as **ongoing**.

FP/15/116 Finance Report M7

1. SH reported the deficit in month against where the Trust expected to be, which gave a variance of £1 million. The deficit was identified as being related to the Trust-wide savings schemes (held in Corporate), the requirement to reduce the Estates and issues in Bristol LDU. SH advised that there were mitigations in place that should still see the Trust meet the target of a £2 million surplus.
2. Agency costs were reported to have decreased between months 6 and 7. Despite the downward trend, the forecast showed an increase in the use of agency staffing. The Finance Team was looking at the reasons for this forecast position. The Managing Directors had been asked to review their forecasts for the remainder of the year. Bristol was the main area of concern.
3. TG asked if a process could be put in place to ensure that localities could indicate what they considered to be the true position rather than having the report simply reflect what was in the budgets. SH advised that at this time of the year the Finance team had previously shown the individual LDU forecasts and undertook to reinstate this practice. **ACTION GF**
4. SH reported that Agency Costs remained the biggest area of concern. The Agency cap was in place. There was an increase in bank numbers and a fast track process in place to enable agency staff to move to bank. A plan to exit agency altogether was being considered and each Managing Director would be presenting their plans to the Workforce meeting in December. It was noted that Table 3 showed that the use of agency was reducing.
5. The Committee discussed Chart 3 noting that "Agency Other" was going up and it was suggested that some analysis showing what was included under this heading would be helpful. **ACTION GF**.
6. SH advised that the cash balance was £3.3 million which was £2.1 million behind the revised plan of £5.4 million.
7. TG noted his frustration with the explanations provided in the report relating to capital, income and agency, stating that they did not make sense. SH acknowledged the feedback and undertook to ensure that complete explanations were provided going forward. **ACTION SH**.
8. SH advised that the reason why capital was behind plan was linked to the delay in the Daisy and Hillview projects which had slipped into 2016. BD asked about the consequences for service users. SH advised that the Daisy unit would now be bigger than had been originally planned and therefore the consequences for service users would be positive overall. Regarding the financial costs, SH advised that there would be no delay costs.
9. SH advised that the Financial Challenge has been summarised and discussed at the Future Focus Programme Board.
10. The additional stretch target was not a focus at this time, although it was acknowledged that if the AWP could contribute through further savings, they would. SH noted that the focus was on hitting the AWP targets and communications were being made across the organisation about cutting non-discretionary spending and agency spending. Follow up with MDs would be made through SMT, FFPB and Financial Recovery teleconferences.
11. TG asked why the Additional Staff Savings were still considered to be High Risk Opportunities (Table 10) given there was Executive focus on achieving these. SH advised that the Transition

Plan for Safer Staffing should provide savings and part of this would include posts not needing to be recruited. She acknowledged that for Month 7 and Month 8 Additional Staff Savings could be moved into the medium risk table or additional mitigations could be identified.

12. BD noted the lack of commentary about the slippages on the Trust-wide savings plan. He asked if time was being devoted to focussing on bringing in the larger numbers such as the £250k Overhead Reduction and £1.55m identified in the Workforce Programme. MP advised that the Workforce Programme was focussed on reducing the cost of agency and a lot was being done in this regard. BD asked for more detailed commentary in the next report that could provide some positive and definite outlook about the end of year position. **ACTION SH.**
13. TG asked about the Salary Sacrifice comment that was made in the Cash section of the report. SH advised that the Trust had a new technology salary sacrifice scheme whereby the Trust would purchase iPads/phones up front and staff could then make a monthly payment. The Trust received the savings on the National Insurance.

FP/15/117 Future Focus Programme Board

1. It was noted that the Trust was recruiting to replace the PMO position. An interim replacement (Balaji Mannu) would begin on 23rd November. He would present this report at the next meeting.
2. MP reported that the Trust was under-delivering on the Cost Improvement Programme.
3. BD asked whether the team was confident about the Year End variation identified on Page 8 of the report. SH advised that a lot of the CIP was back ended, especially around the Estates rationalisation.
4. TG asked whether it would be possible to transact some of the more financially orientated items to lessen the impact at the end of the year. He suggested they could capitalise some items at the end of December. PRS advised that the team was capitalising items as soon as they could. She noted that another tranche was being considered within the next few weeks which would lessen the year end impact.
5. BD asked about the items in Table 4 that had been identified as having no alternative plans. SH advised that HR and AD had been challenged about this at the FFPB. To mitigate this, the Trust was having to come up with other savings instead. TG asked why the Medical and Nursing Director should be excused from making savings when localities were not. SH advised that HR had advised that the only other way they could reduce medical pay was to reduce medical time. The challenge from the localities was to use alternative nurse-led practitioners rather than doctor time. SH advised that a fuller explanation of the clinical issues was provided in Section 1.7 of the report. Further updates about what more was being done would be provided in the next report.
6. BD asked if the Junior Doctor strike would result in increased use of agency staff. MP advised that AWP was not legally allowed to backfill with agency staff. The Business Continuity and Emergency Planning Department was putting plans in place to ensure a safe service was maintained.
7. MP summarised some of the initiatives underway to reduce workforce costs including rationalisation of the recruitment process for staff moving from agency to bank, the development of BSR and the development of a Staff App which would show shift availability for bank staff.
8. MP advised that timeframes had been set around the use of non-framework agencies. Communications had been sent out to all staff within the Trust and to agency staff. It was noted that agency staff had already begun moving to bank. Overtime for Trust staff was also being promoted.

9. BD asked whether learnings from the System Optimisation Projects in Devon and Cornwall would assist with the implementation for the AWP. SH and MP advised that learnings had resulted in the cautious approach that was being taken, but they undertook to provide a fuller update at the next meeting. **ACTION MP.**

FP/15/118 Update on Strategic Resources Work Streams

1. PRS advised that Resource Mapping showed the expenditure in the organisation by CCG usage driven by the activity regardless of where the activity takes place. The Reference Costs used the same data at the same activity levels but looked expenditure by service. The Budget data was also the same but looked at the LDUs that delivered the services. She summarised that the team was understanding more about the cost drivers and where there were potential threats to business or expenditure. This would show where service changes or CIP plans may be required.
2. PRS provided a detailed explanation about how the Resource Mapping and Reference Cost data would contribute to the decision making process about service reconfigurations and/or de-commissions. The Resource Mapping and Reference Cost data was also being used to assist in the Budget process.
3. In regards to space utilisation it was noted that HR was considering options for under-utilised Estate.
4. PRS advised that the next report would provide a summary of possible income from the CCGs, a firmer idea of cost pressures within the system and potential CIPs in the next year.
5. BD asked if the Autumn Spending Review and CSR Statement would may any impact. SH advised that the CSR might affect Public Health budgets and NHS England training. The tariff implications were not yet clear.
6. TG indicated that he was not clear about what "decommissioned services" would mean. PW provided an example of how Resource Mapping had shown that there was not enough funding in South Gloucester to cover what was being delivered. TG noted that the Board would need to be provided with the granular detail about what services were being recommended for decommissioning and have assurance that the Commissioners were in agreement with the numbers and understood the potential impact in the localities. Baselines would need to be established on volume. Acuity would also need to be measured and factored in.
7. There was a discussion about ensuring that the data was reliable and clear given that Commissioners would be using it to make important decisions about decommissioning. PRP undertook to conduct some further analysis with the LDUs. The next set of data was due to be presented to the CCGs for discussion in December. SH observed that there was scepticism about the data and did not consider that any decisions would be made about decommissioning until everyone was confident that the information was accurate. PRP undertook to bring a summary of the next set of data to the next Finance and Planning Committee meeting. **ACTION PRS.**

FP/15/119 Quality and Performance Report M7

1. MP noted that the development of the Quality and Performance Report was ongoing. He noted that that there had been feedback at the Quality and Standards Committee about the descriptions of incremental improvement month on month and about showing progress over a quarterly or an annual period.
2. MP reported that Wiltshire continues to have an ongoing problem with Gatekeeping of admissions by crisis teams. A system had been put in place both in Swindon and BANES which had resolved part of the issue. MP had requested that the triumvirates now produce a weekly

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analysis of the incidents and provide some detail around how each incident could be prevented in the future.

3. MP advised that Bristol had showed a significant improvement against the Service Users with annual review non-CPA indicator since June following the implementation of the Bristol Locality Assurance Plan.
4. MP advised that North Somerset had recorded significant improvements against the Memory Services indicator. Swindon had also been undertaking work in this area. The waiting list had been reduced from nine months to five weeks. 135 people on the waiting list had been reduced to 50. Swindon was working with the CCG on substantive further investment to release pressure from the service. It was noted that the indicator did not reflect this progress at this point.
5. MP advised that the plan to ensure consistency within the national framework for Early Intervention would be led by Anthony Lacny. The report's methodology had been updated to account for changes made by HSCIC to calculating the Early Intervention indicator.
6. BD noted that the appraisal target had been reset to 95%. The 5% had been deducted to account for areas that were difficult to appraise. BD noted that the Managers needed to ensure that carrying out appraisals was considered a priority and asked that a reminder be sent out about this. **ACTION MP.**
7. MP reported on Out of Trust placements. TR had implemented a bed availability app that would assist the Trust to optimise its use of internal capacity.
8. MP drew attention to Appendix D which provided a breakdown of what was included in the classification of "Unallocated Cases". He noted that in some cases there was reasonable oversight by the Recovery Navigators.
9. MP also drew attention to Appendix E which provided definitions for Types of Accommodation.
10. TG commented on the Risk Register included in Appendix F. He referred to a risk that had been escalated from the Bristol Risk Register. He noted that it was strange that the inherent risk was 16 and the residual risk was 16, which implied that no risk had been being mitigated. He noted a de-escalated risk which had an inherent risk of 12 and a residual risk of 16, implying that the risk was worse. TG sought assurance that the Risk Register was a live document that was used as a management tool. MP advised that the register was updated monthly and considered that he had submitted the wrong version for inclusion in the meeting pack.
11. BD noted that during the Quality and Standards Committee meeting there had been a discussion about the mixed accommodation breach where it had been agreed that it should be a "never" event. He suggested an amendment be made to the report accordingly. MP advised that this report was defined by the monitor could not be amended. TG recalled that actions had come out of this discussion at Quality and Standards Committee to deal with this risk.

FP/15/120 Commercial and Tendering Report

1. PW advised that the team was awaiting the outcome of the CAMHS tender. Given there had been no recent conversations between the lead partner and the Commissioner, they expected that a third party had won the tender.
2. The outcome of the Bristol, Gloucester & Wiltshire Offender Health tender had been delayed until the 30th November while NHS England had an internal financial discussion. An outcome was expected on the Medvivo during the week commencing 23rd November 2015. There had been good feedback on the presentations provided but the political situation was unclear.

3. The AWP had been unsuccessful in its tender for the Young Peoples Outreach Service in Dorset. The incumbent won the tender. The contract was only 14 months long and it would be recommissioned with the Bournemouth Contract. As a result of this, Specialised Services had withdrawn from the Bournemouth element of the Young Peoples Substance Misuse Service contract. There were plans to put in a joint bid for the pan-service in 14 months' time.
4. TG asked if it would be possible to get some feedback on the reasons for the incumbent being awarded the Dorset tender. He asked if it was to do with the model that AWP had provided, or if it had just been easier to keep the incumbent given it was only a 14 month contract. PW undertook to seek this feedback. **ACTION PW.**
5. It was reported that AWP had been awarded the contract for Children's Community Health with Sirona and BCH. Due diligence was underway. Internal checking processes would be conducted. Because there would be no Board meeting in December, PW had been seeking clarification from IT about the process of signing off the due diligence. He noted that he would like to produce a Due Diligence Paper for the Executive Team to sign off. He would then bring it to the Finance and Planning Committee. TG suggested that BD ask the Board to provide delegated authority to the F&P Committee enabling the Chair to provide approval. **ACTION BD**
6. PW provided a brief overview of the Expected Tenders that had been outlined in the Commercial and Tendering Report.
7. In regards to NHS England/Specialised, MP asked whether there may be business opportunities for CAMHS Tier 4. PW advised that AWP had previously been excluded from bidding in their own right in the short order tender that had been done for Tier 4. He considered that when they recommission, the market should not be so restrictive. PW advised that discussions had been held with Hunter Coombe about the ongoing contract at Riverside and indicated that they could talk to other partners about other opportunities such as Marlborough House in Swindon. MP suggested that being involved in this tender may provide an opportunity to have a conversation about CAMHS PICU and whether AWP might be a provider. PW acknowledged that PICU provision may indeed be an opportunity for AWP.
8. MP asked about the potential for extension of the CAMHS one year contract. PW advised that one of the key issues raised during due diligence was about accommodation and the fact that NBT is requiring AWP to have vacated NBT premises on the final day of the one year contract. Estates savings were also noted as being likely to take more than a year.
9. TG noted the comment about there being a high risk of losing business in relation to the Community and Inpatient Mental Health Services contract. He suggested that if AWP was a good provider with a good service and it was financially viable, they shouldn't have issues.
10. TG noted that in relation to Expected Tenders and Released Tenders he would like to understand what we would and would not be building into the next year's budget **ACTION PW/GF**

FP/15/121 Hillview OBC

1. PRS advised that the Project Board for Hillview had met the previous afternoon to decide on the preferred site going forward. Building on the current Hillview site had been priced at £20.2 million. A build on the RUH Manor House site (including expenses and contingencies) had been priced at £19.9 million. The Hillview site risks revolved around clinical service risk and staff attention. The risks around the Manor House were more about construction (listed building).
2. PRS advised that the recommendation, which was supported by the CCG and the LDU, was to build on the Manor House site. She requested that the Finance and Planning Committee confirm that they were happy with this solution and recommend that that the Chairs could approve the

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OBC as soon as possible after Board so that the OBC could be sent to the TDA in the first week of December. **ACTION PRS/BD.**

3. MP noted that operationally this was the preferred option.
4. SH advised that BANES CCG were supportive and had included the Hillview Rebuild into their commissioning intentions. She noted that there was a risk that AWP would have to incur fees before they got a signed contract by the CCG. PRS confirmed that the construction had been approved. The OBC could go ahead without planning position but the design process would have to begin now so that they would have the guaranteed maximum price available in time for the FBC.
5. PRS advised that timelines were being juggled and ultimately the FBC would come to the Board in May assuming the OBC was approved by the TDA. This would mean that the TDA approval for the FBC and loan approval would be secured during August. Contractor costs of around £1 million would have been incurred by then.
6. BD asked how confident the team was about the quotation for the Project. SH advised that the asbestos and planning surveys had been done. There had been a full structural survey done on the manor house. Part of the negotiation with RUH about the transfer would be to ensure that there was a clause in the documentation stating that if anything was found retrospectively that English Heritage was unhappy with, that RUH would negotiate. BD asked if the construction would begin in advance of the FBC. PRS advised that construction would not begin until the loan had been secured.
7. BD asked if there was any risk of increased construction costs by the time construction began. PRS advised that the Guaranteed Maximum Price could not be adjusted. The at-risk amount was the £1 million spent getting to loan approval stage.
8. The Finance and Planning Committee **approved** the recommendation to Board for Chairs Action to approve the OBC.

FP/15/122 TDA Oversight Return

1. SH advised that there had been no changes since the last return.
2. TG asked whether the contract notice that had been received from the Commissioners had been disclosed in this return. SH advised that no formal contract notice had been received as yet and therefore she did not believe it had been disclosed. She undertook to check this. **ACTION SH.**
3. The Finance and Planning Committee **approved** the Return subject to SH checking whether the formal notice contract received from the Commissioners had been disclosed.

FP/15/123 Any Other Business

1. TG advised that in regards to the contract notice discussed in FP/15/122, he had requested that the notice contain all elements and advised that each element would be delegated to a Committee. SH noted that this Committee would be able to deal with the Resource Mapping element.

Committee Evaluation

2. SH gave the meeting a score of 2.5. She advised that she did not feel as prepared for this meeting. She considered that there was commonality on the issues being faced but she was finding it difficult to provide clarity and assurance about how the organisation was going to reach the targets.

3. PW gave the meeting a score of 3.
4. PRS gave the meeting a score of 3. She did not feel that the meeting had had much energy but acknowledged that those providing the reports were not as clear and concise as they needed to be and the papers had not been as accurate as they could be.
5. LR did not score the meeting but noted that some of the information in the papers should have been edited prior to being presented.
6. TG gave the meeting a score of 2.5. He noted that the papers had been a bit disappointing. The Finance Report had some errors and comments needed to be tailored in the Performance Report. He suggested that the papers should outline the financial implications coming out of the operations rather than stating the operations imperatives. He did not believe that assurance had been provided on Commissioner issues or Cost Improvement issues, nor that Finance was in sync with the localities. He re-stated that it was not appropriate for the HR Director and Nursing Director to state they could not meet their plans and provide no mitigations. He noted that they needed to take risk scores seriously because the Committee must scrutinise these to give assurance to the Board.
7. MP gave the meeting a score of 2.5. He advised that he had found presenting the PMO report a challenge because he was not a nurse. He was also frustrated with the process of putting papers together. He stated that the meeting had been well chaired.
8. PM noted the issues with data but gave no score.
9. JM gave the meeting a score of 2.5.
10. BD scored the meeting 2.5. He considered that Matters Arising could have been dealt with faster. He considered that they had taken too much time to interpret the Finance Paper.

Horizontal Reporting

11. Request for delegation of authority for the Chair of Finance and Planning Committee to approve Due Diligence for the Children's Community Health Contract.
12. Action Item 2 to be referred to the Audit and Risk Committee.
13. Action item 6 to be referred to the Future Focus Programme Board.
14. BD suggested that Board should be informed about the Executives who had failed to make cost targets and offer no alternative solutions.
15. Request to the Board for delegation of approval to be given to the Chair of the Finance and Planning Committee to approve the Hillview OBC.

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