

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

Held on Friday 22nd January at 9.30am, in Seminar Room 4, Jenner House

These Minutes are presented for **Approval**

Members Present

Barry Dennington (BD), Non-Executive Director (Chair) Sue Hall (SH), Director of Resources
Peaches Golding (PG), Non-Executive Director Mathew Page (MP), Acting Director of Operations

Staff In Attendance

Hayley Richards (HR), Acting Chief Executive Pippa Ross-Smith (PRS), Head of Strategic Finance
Peter Wilson (PW), Head of Business Development Suzanne Howell (SHo), Managing Director, North Somerset
Liz Richards (LR), Managing Director, BANES Deborah Poneskis (DP), Head of Transformation PMO
Jenny MacDonald (JM), Managing Director, South Gloucester Martin McLean (MM), Acting Managing Director, Specialised
Jennifer Ward (JW), Corporate Governance Officer

FP/15/136 Apologies

1. Apologies were received from Balaji Mannu, Gordon Folkard and Toby Rickard.

FP/15/137 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/15/138 Minutes/Summary of the Meeting on 21st December 2015

1. The minutes were reviewed for accuracy page by page.
2. A correction was noted on Page 5 as follows: remove "in intensive care units".
3. The minutes were **approved** with the corrections noted.

FP/15/139 Matters Arising from the Previous Meeting

1. On item one, it was noted that the review had not yet begun, but it was to be carried out by NHS England rather than by AWP. The action was marked as **ongoing** to ensure the Committee had continuing oversight. SH undertook to continue following it up.
2. On item two, MP reported that the IAPT proposal had been presented to the Quality and Standards Committee. The action was marked **complete**.
3. Items three and four were marked **complete**.
4. MP reported on item five, advising that Claire Mitchell from PMO was working on the transition plan to move from the current model to the new Safer Staffing model with a view to implementation beginning by the 1st April 2016. MP advised that the model had been finalised, noting that it assumes a 23% absence factor. There is work underway to review statutory

mandatory training to reduce the absence factor to 20%. SH advised that 20% would be put in the budgets. This item was marked **complete**.

5. On item six, PRS advised that Toby Rickard had updated Resource Mapping and Reference Costs and that she would present the paper to the Committee. This item was marked as **complete**.
6. Items seven, eight and fourteen, assigned to Peter Wilson, were deferred to February. Peter Wilson was to be asked to respond by email. This action was marked **ongoing**.
7. Items nine, ten and eleven were marked as **complete**.
8. MP reported on items twelve and thirteen (presentation of Gatekeeping indicators), noting that there had been technical reasons why some people had 'breached' on paper. He noted his view that the presentation of the indicators should remain as it was, and that the narrative should clarify the criteria and provide coherent explanations where action on indicators was of the Trust's control. This item was marked as **complete**.

FP/15/140 Finance Report M9

1. The Finance Report was tabled.
2. PRS outlined that it had been reported in December that mitigating actions totalling £5.7m would be required, and that potential actions had been listed and rated. "Plans to be identified" totalling £1.8 million had also been identified. PRS reported that it would not be possible to complete some of these actions. She stated that, for the Trust to break even, mitigations of £2.67 million would need to be identified.
3. BD suggested that it would be helpful if the Trust's systems could enable the progress against savings plans to be monitored with finer granularity. SH advised that non pay expenditure could be tracked daily and localities were being monitored against their savings lists. She summarised that the Trust was delivering against the locality Cost Improvement Plans, but that other mitigations (such as cost reduction) had been proving more difficult to achieve.
4. SH advised that savings schemes around the Estates rationalisation (target £1.9m) had not been enabled because buildings were not free to sell. Other mitigations were being sought to offset this. The Trust had been discussing with the TDA whether the underspent capital could be moved to support the revenue position.
5. SH reported a surplus position in-month. The Committee noted that, although agency spend was reducing, it was not reducing at a steep enough rate. SH also highlighted that new staff numbers were not increasing at the rate required to reduce the Trust's use of agency and bank. Wiltshire and Secure Services remained the key areas of concern.
6. It was noted that recruitment in North Somerset was an ongoing problem, alongside staff retention on the wards. With so many vacancies available, staff could rapidly move from wards to communities (for example through promotion). Movement between teams had been unprecedented. The Committee were informed that BaNES was recruiting for the bank, and South Gloucestershire was using bank or overtime as opposed to agency. JM reported that there were issues with bank staff cancelling at the last minute within South Gloucestershire. The Committee agreed that performance issues within bank would need to be addressed.
7. It was reported that the Trust had written a formal letter to Monitor, reporting that the agencies had aligned their rates, which they are not permitted to do.
8. SH summarised that significant cost pressures had been incurred at the beginning of the year, and that the Trust was struggling to find ways of reducing costs without affecting clinical services.

Finance and Planning Committee Minutes – 22nd January 2016

9. The Committee discussed the slippage on the CIPs (£535k in month). PRS advised that the CIPs were back-ended which explained the large in-month number. The Acute Care Pathway staffing levels had not been reduced as anticipated, and it had not been possible to carry out the planned Estates work. Agency spend had reduced significantly, but the costs incurred in the early part of the year, that had not been budgeted, had not been recovered.
10. BD asked how the Committee could be certain that the forecasts going forward could be relied upon. SH and PRS assured the Committee that the forecast position was the worst case scenario. They advised that the remaining plans were on track or had already been delivered.
11. The Committee discussed the mitigations outlined in Table 14. It was reported that the anticipated Wellow funds from NHS England had reduced from £900k to £550k. The item had been given a red rating, and HR was currently liaising with NHS England. HR stated that she was unable to assure the Committee that that this payment would be made, due to the fact that NHS England was reviewing its criteria for payment following concerns about its own end of year position. She further advised that was speaking directly with individual commissioners, NHS England and the TDA to encourage a fair payment system.
12. Safer Staffing numbers were also noted as being at risk, following changes in payment rates being flagged. The Bristol Crisis Line, which had been agreed before AWP signed the contract for Community Services, was continuing, but no payment would be received.
13. PG asked whether AWP was at risk in terms of penalties. PRS considered that there was virtually no risk (a never event). It was noted that there were some CQUINs that would not be achieved. HR advised that a variation of process had been agreed at the start of the year on the CQUIN concerned and as a result she was compiling evidence that would show there were no grounds to withhold payment.
14. BD sought clarification on the risk attached to the £2m that would be available if a disposal was achieved by March. PRS confirmed that this was not a risk, and suggested that the wording in the report needed to be changed – **ACTION PRS**
15. SH updated the Committee that she was holding ongoing discussions with the auditors about capitalising the beds that were provided for Sycamore as part of the Hillview Project. She advised that if the auditors did not approve this as a valid capitalisation, £1.9m would be added back to AWP's position. The TDA was aware and comfortable with the treatment, so there could be recourse to the TDA if the auditors rejected the proposal. The view was likely to be determined within the next month. BD suggested that this should be flagged as an amber item.
16. BD noted his concerns about the 'confidence level' around what could and could not be achieved. He felt that the accounting treatment of some items did not truly represent savings. SH explained that this situation was unprecedented, as the Trust had not been in a position to capitalise or transfer revenue in the past. It was acknowledged that the Trust was in a tranche with other Trusts, who were asking the same questions of auditors and the TDA about accounting treatment.
17. SH informed the Committee that there had been discussions about stopping the capital programme altogether. She confirmed that a decision to do so would not affect the Hillview and Daisy Projects, which were already underway.
18. SH sought the Committee's view on declaring a break even position instead of declaring a year-end surplus. She stated that Board approval would be required and that Commissioners would need to be informed in writing, with a request asking them not to withhold payments.
19. HR summarised that it was possible for the Trust to break-even at this point, but some of the

Minutes Prepared for Finance and Planning Committee Meeting of 22nd January 2016

Sponsored by the Chair

Agenda Item:

Serial:

Page 3 of 7

mitigations would rely upon the actions of others. A capital to revenue transfer of £1m would be required; if this was not approved by auditors, the TDA would need to approve this as a principal. The £550k for Wellow would need to be paid by NHS England. Safer Staffing monies were based on securing agreement from the coordinating Commissioners to pay what they undertook to pay at the beginning of the year (£200k). Further, with the successful winning of the CAMHS tender, there was a national transformation fund of £500k to be paid. These monies had been flagged to be paid next year, but the request had been made to pay it in this year.

20. The Committee acknowledged that localities were withholding payments of £400k, the majority of which was from North Somerset. There was dispute about payment of original agreements versus amended agreements.
21. BD felt assured that a ‘tight grip’ was being held on the funds that were within the Trust’s control, which would help to ensure that the final year position of break-even could be achieved if all of the external items were resolved.
22. The Committee discussed making a recommendation for the Trust to reduce the surplus and change the control total to break-even. It was acknowledged that discussions were already underway with the TDA about this position. An unfavourable auditor's opinion, such as citing ‘poor value for money’, could be the ultimate consequence of this action. SH and HR advised that the Trust had gathered evidence about what had happened in year, and confirmed that agency and recruitment issues were national problems.
23. The gap was acknowledged as being £4.7m. To fill the gap, £2m surplus would be used, bringing the Trust to a deficit position of £2.67m. Realising the mitigations discussed in lines 20 and 22 above would result in a break even position. Any misses on these mitigations could result in a deficit being recorded.
24. PG summarised that the Trust was counting on the continued good performance of the LDUs, saving money at every opportunity and the ability to negotiate with other members of the health system in order to achieve this position.
25. HR outlined that the Finance Report presented a risk-assessed set of mitigations and confirmed that all avenues for reaching surplus had been exhausted. She advised that there was a robust audit trail that supported this position. HR suggested that the Committee should endorse the recommendation to change the control total to break-even.
26. In terms of process, it was noted that there was daily contact with the TDA on a number of issues, although no formal requests were made without the approval of either the Finance and Planning Committee or the Trust Board. SH updated that a Month 9 return to the TDA was being made on the premise that the Trust would reach its surplus. The TDA was not being informed of any change in this position in advance of Board approval being given.
27. The Committee **endorsed** the recommendation that the control total be changed to reflect a break-even position by the end of the year.
28. PRS requested that the Committee approve the in-month budget changes, as outlined on Page 23 of the Finance Report. SH advised that these changes would not change the bottom line. The Committee **approved** the budget changes.
29. PRS requested that the Committee approve the disposal of Cedar House at Blackberry Hill for £1.8 million based on DV valuation. She outlined that the arrangement was to sell the building and lease it back. It was noted that it had been on the disposal plan for the following year but was being brought forward. The Committee was given assurance that the Board had already approved the disposal plan, and **approved** the disposal.

FP/15/141 Future Focus Programme Board

1. The Committee **noted** the Future Focus Programme Board Report.

FP/15/142 Quality and Performance Report M9

1. MP reported that AD's team had initiated work to review how the Trust manages single-sex accommodation requirements, how the Trust defines a single-sex accommodation breach, and what the reporting process is around this. He advised that there would be a mitigation plan put in place when there was necessity for a service user to be placed temporarily in the wrong gender accommodation. The plan would be reviewed by AD and a ruling would be made on whether or not there had been a breach.
2. Improved data quality in RiO was reported, specifically with regard to the Gatekeeping of Admissions by Crisis Teams indicator. It was noted that this was a result of measures being put in place to monitor compliance. MP explained that there was some complexity in reporting these types of breaches, given that service users were occasionally admitted by a Mental Health Act assessment, which was outside of the Trust's control.
3. The Committee noted the improved performance within Wiltshire. MP anticipated that there would be a step change in the reporting trajectory in the next month's report.
4. MP stated that Bristol's results for the Percentage of Service Users with a Carer Identified indicator were a reflection of poor data recording as opposed to non-performance. The Committee raised concerns about the fact that recording practices were taking such a long time to improve. It was agreed that Quality and Standards should review progress on this indicator – **HORIZONTAL REPORTING TO THE QUALITY AND STANDARDS COMMITTEE**

5. It was noted that Wiltshire had continued to improve its position in relation to the DTOC indicator. Bristol had reported a less advantageous position but had a detailed plan in place with the CCG and the Bristol City Council to address this. A reduction in the number of commissioned rehab beds was being considered and stronger partnerships were being formed to seek alternative solutions.
6. BD challenged the anticipated timeline to improve the DTOC indicator performance in Bristol noting that a turnaround on this indicator had been achieved over a much shorter period of time in Wiltshire. MP explained that the timeframe indicated was influenced by a change in practice model (new triage system).
7. MP highlighted that South Gloucestershire did not have a 0.0% DTOC indicator. He suggested that some of the locality's results may have been included in the Bristol indicator, because South Gloucestershire had delayed discharges in their Older Adult wards. MP undertook to seek further clarity on this point – **ACTION MP**
8. The Committee noted the overall improvement within the Service Users with an Annual Review (non-CPA) indicator, which was particularly significant in Bristol. It was acknowledged, however, that Bristol was moving off trajectory and it was considered that some relevant commentary would be useful to indicate how this was being addressed.
9. MP noted the change in reporting for the Early Intervention Referral to Treatment indicator. He advised that this indicator was expected to provide assurance that 50% of service users should have treatment initiated within two weeks of referral. The indicator was also expected to show that the services were offering compliant treatments, but this would be assessed using an audit tool which was not yet available. MP confirmed that this was an ongoing piece of work.
10. MP updated that the opening of Juniper ward was on-track. The Committee acknowledged the

staff for their successful management of the ward while the Estates work was being carried out.

11. It was noted that there had been a spike in the use of Out of Trust beds during November and December. The level of scrutiny and bed management processes had been increased to deal with this. It was noted that at the time of meeting 15 patients were placed outside of AWP, within the commissioned beds. The Committee acknowledged the hard work that had been undertaken to achieve this result.
12. It was reported that a workshop had been organised at SMT, during which bed escalation processes were to be reviewed.

FP/15/143 Reference Cost Update

1. PRS gave the Reference Cost Update presentation in Toby Rickard's absence.
2. The presentation sought to explain to the CCGs what they had used of the Trust's cost base in any one year. Meetings had been held with the CCGs to talk through the data and various changes had been requested. The agreed changes had now been incorporated into the Month 8 version, which was issued in November. Month 5 had also been re-run with the changes.
3. SH updated that the CCGs had been frustrated because the numbers kept changing; as a result, they did not trust the data. It was noted that the reality was that the numbers would change from month to month dependant on activity. The Committee agreed that the Trust and the CCGs needed to reach an agreement about what figures would be used for contract negotiations going forward.
4. It was recorded that the 'reference cost' was the average cost of the delivery of an activity, bed or contract, etcetera. Resource mapping considered the individual service user by CCG. This changed on a daily basis, and it was considered the CCG's responsibility to establish the demand. The Committee were reminded that activity data was held in multiple systems.
5. PRS outlined that the data would be used as the basis for establishing the CCG contracts for the next year. The contractual negotiations were underway and were to be signed by 31st March 2016.

FP/15/144 Business Development and Strategy Update

1. SH provided a brief summary of the main business and tender activities. She advised that the Trust had been awarded a one year subcontract under CAMHS, for the Children's Community Services Contract (£8m). The Trust, in partnership with the Huntercombe Group, had also been successful in its CAMHS tender for a £2.2m contract over an interim period of 12 months. Bristol Community Health and the Trust had also been awarded the Offender Health contract, totalling approximately £4m.
2. SH reported that £109m of tender opportunities had been identified. She informed the Committee that the Department of Health and the TDA had indicated that the Trust should concentrate on delivering current services, rather than aiming for growth and income.
3. It was noted that three or four Devon prison contracts would likely be brought to the Committee in approximately April 2016.
4. SH acknowledged the work of staff on the CAMHS tender, noting that significant resource was being utilised.

FP/15/145 2016/17 Budget

Minutes Prepared for Finance and Planning Committee Meeting of 22nd January 2016

Sponsored by the Chair

Agenda Item:

Serial:

Page 6 of 7

1. No paper was presented.

FP/15/146 P098 Treasury Management Policy

1. No paper was presented and the item was **deferred**.

FP/15/147 IM&T Policy Approval

FP/15/147.1 Information Governance Policy Updates

1. The following policies were presented and were **approved** by the Committee:
 - P024 Acceptable Use Policy;
 - P111 Registration Authority Policy;
 - P156 Mobile and Remote Working Policy;
 - P157 Supplier Remote Access Policy;
 - P158 Third Party Security Policy.

FP/15/148 TDA Oversight Return

1. SH presented the NTDA Oversight Return Month 9, and drew attention to the Contract Notice issued on the 10th November. It was noted that the CQC Warning Notice received on 31st December would be included in the next return.
2. The TDA Oversight Return was **approved** by the Committee.

FP/15/149 Any Other Business

1. No further business was declared.

149.1 Committee Evaluation

1. On average, the Committee scored the meeting a four (out of a possible five). Attendees highlighted that discussion throughout the meeting had been open and challenging, allowing for effective scrutiny of papers and the Trust's position. It was also noted that the attendance from the LDUs had further enabled this effective discussion.
2. The Committee raised concerns around the number of late and missing papers and BD requested that this did not happen at future meetings. The Committee stated that the effectiveness of the meeting had been impacted by the number of papers which had been submitted late and/or not at all.
3. BD expressed his concern that the financial position as reported during the meeting had come as a 'surprise' to the Committee. He cited the late distribution of the Finance Report as evidence of this. HR and SH challenged that this was not the case, and said that the trajectory of the Trust's position had been apparent since month 3. PG emphasised that this narrative needed to be clear when the paper was presented to and discussed at the forthcoming Trust Board meeting. She acknowledged that the Executive Team was continuously looking for mitigations in order to improve the position.