

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

Held on 24 February 2017 at 9.30am, in Seminar Room 4, HQ

Members

Sue McKenna (SM) - Director of Operations
Ernie Messer (EM) - Non-Executive Director
Mark Outhwaite (MO) - Chair, Non-Executive Director

Simon Truelove (ST) - Director of Finance

In Attendance

Carol Bowes (CB) – Managing Director Wiltshire
Jenny Macdonald (JM) - Managing Director South Glos
Suzanne Howells (SH) - Managing Director, North Somerset
Charlotte Hitchings (CH) – Trust Board Chair
Linda Hutchings (LH) Head of Programme Management Office
Matthew Page (MP) Deputy Director of Operations

Liz Richards (LR) - Managing Director, BaNES
Jane Rowland (JR) - Head of Business Strategy
Claire Shearn (CS) - Deputy Head of PMO
Malcolm Shepherd (MS) – Non Executive Director
Erika Tandy (ET) - Corporate Governance
Pete Tilley (PT) – Deputy Director of Finance

FP/16/136 Apologies

1. Sarah Branton, Gary Bryant, Sue McKenna

FP/16/137 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. **No declarations were made.**

FP/16/138 Minutes/Summary of the Meeting on 20 January 2017

1. Malcolm Shepherd to be added to the minutes
2. Simon Truelove (STr) suggested that acronyms are explained within minutes
3. The minutes of the meeting dated January were reviewed and agreed as accurate

FP/16/139 Matters Arising from the Previous Meeting

1. Bank discussion is on the agenda
2. Month 9 Finance Report/Locality Delivery Unit (LDU) update: Presentations will come to the Committee from April. Format to be decided. A summary for each LDU will be included, including pay, non-pay, Cost Improvement Plan (CIP) delivery, agency spend.
3. FP/16/126 Performance Report: Sue McKenna (SMc) still to meet with Mark Outhwaite (MO) and Ruth Brunt (RB) how best to design the report for both Committees to avoid duplication.
4. FP16/129 Assurance Framework for Objective Setting: has been circulated to the

Committee.

5. FP/16/132 Finance Risk Register: On agenda.
6. Horizontal reporting: - Meridian-this is on the Agenda as a standing item. CAMHS –within the reports. Comparison data – will come to the Committee in March and will include Benchmarking data.

FP/16/140 Month 10 Finance Report/LDU delivery update

1. STr informed the Committee that a £600k deficit was reported at month 10. This was normalised (taking out non recurrent issues) meaning the recurrent trend position was £550k. Agency and Out of Area were a bit higher.
2. There were also a number of one off issues affecting the financial position. The main one was the reversal of the capitalisations associated with Hillview. These were to do with the cost of Out of Area (OOA) beds that we were being charging to capital incorrectly.
3. We have received more income in month 10 than we were expecting. This was associated with Child & Adolescent Mental Health Services (CAMHS), Veterans, and IAPT and Street Triage in Swindon. This has allowed us to consume the reversal of the Hillview Capitalisation.
4. STr told the Committee that the reason for the fluctuation in income was initially due to some uncertainty on the levels of income due from these contracts. He said that regular attendance by the Finance team in some of the CAMHS meetings has helped the understanding of income associated this particular contract
5. The rise in Agency expenditure was worrying, and bucked the trend of the 3 previous months. This reflected the pressure on the service in January and is being looked at closely. MO suggested we see a year on year comparison on this.
6. From an Operational Finance point of view the previous trend in spends continue with the Local Delivery units (LDU's).
7. Bristol is overspending by £200k per month, Secure £60k. CAMHS underspend increased as it did in Specialised due to increased levels of income.
8. Within Corporate the overspend trend in Pharmacy has slowed as has NQD. The largest overspend was in Finance where the £725k reversal of capitalisations, shortfalls in Cost Improvement Plan savings and shortfall in STF funding is all reflected.
9. The monitoring of 16/17 CIPs has showed a further slippage against plans which leaves forecasted delivery of £2.8m by year end.
10. The Trust still has risks associated with the non-delivery of CQUIN Provider to Provider disputes with NBT and an OOA issue with Salford/Wiltshire CCG. However, further benefits have been identified which could mitigate the risks and allow the £7.5m deficit for 16/17 to be achieved (or £12.1m before the re statement of 15/16).
11. The Committee discussed the impact of Meridian in the LDUs. BaNES reported that they delayed the arrival of them initially due to Your Care Your Way (YCYW) but also in the hope that some learning would have already happened in other areas. Liz Richards (LR) felt that the streamlining process should have been the priority, not the outcome targets. BaNES are making use of Skype, applications and telephone calls in order to help themselves. Jenny Macdonald (JM) agreed that the expectations of Meridian were a little different, but that it has helped them to look at their processes themselves to see where changes can be made. Both agreed that staff morale has dropped due to the Meridian visits.
12. STr informed the Committee that IT are now looking at the changes that can be made to help people work off site and therefore more efficiently/smarter.
13. Jane Rowland (JR) suggested that a robust learning mechanism is designed for the LDUs to share their experiences and then to measure the outcomes.
14. STr reported that Bristol have slowed down the originally forecasted run rate (£3-400k) to £200k and are working on what else can be altered as part of the budget setting process.
15. Mathew Page (MP) commented that Sarah Branton is working hard on the community

services within Bristol, looking at the services provided, the voluntary element, and has altered the balance of the staff provision meaning that it is mostly provided by an AWP workforce. Bristol have also made changes in the structure meaning the CQC warning was lifted.

FP/16/141 Cash position

1. The cash position at the end of month 10 is relatively static and is due to holding cash for payments of the VAT due on the Daisy Ward (£0.6m) and PDC due in March (£1.5m) as well as receipts ahead of the due date from Secure Services.
2. Outstanding debtors and creditors with NHS bodies remain an issue though this is predominantly with North Bristol and NHS Property Services.
3. Open dialogue has been sought with North Bristol in order to move forward the significant issues of rental payments and Mental Health Liaison Team invoices.
4. The Trusts' Revolving Working Capital Facility (RWCF) currently stands at £4.549m and it is assumed that a further £1.350m will be required in March, taking this to a total of £5.899m.

FP/16/142 Update on the Capital position for 2017-18

1. The latest capital plan shows actual expenditure to date of £5,039k and is behind the original plan by £2,041k.
2. The forecast position is currently on plan, following discussions around the appropriate slippage of Southmead water works and ligature reduction works into 17/18. This is also due to the works being behind plan in 16/17.
3. STR assured MO that there is no risk to the patients in the slippage of the Capital plan.
4. There has been a significant push nationally from NHSI to ensure all capital expenditure forecasts are robust, due to the significant amount of expenditure planned for quarter 4.
5. £725k of revenue to capital expenditure was removed in month 10 due to the agreed restatement of the 15/16 figure and due to the requirement for the consistent approach for the Hillview out of area bed capitalisation
6. Changes have been made following the January IPG where the Perinatal works were moved from 2017/18 and placed in 2018/19 plan. This allowed capacity for both the Avon and Siston ward works and the capital funding to support the Estates Quick Win schemes in 2017/18.
7. MO asked to see clearly the benefits of the investments in Estates within the reports.

FP/16/143 Update on 17/18 budget setting process

1. STr informed the committee that the Trust had submitted its 2 year plan on the 23 December 2016 which included a workforce plan, a financial plan and a written annual operating plan. As a mental health trust an activity plan was not required.
2. The plan was supported by detailed budget working papers for all cost centres, managed by the finance accountants working with managers and directors to agree the overall financial envelope for the Trust.
3. As a result of the budget process, the financial gap was identified of £18.1m against achievement of a £1.4m surplus before application of the S&T fund of £1.2m.
4. STr informed the committee that work has been ongoing during January and February to ensure that many of the plans will be in base budgets for the new year, but further work is required to identify the remaining unidentified gap, which at present is still £4.0m.
5. £2.3m of the potential savings relates to PFI savings. This is the work being done with legal support and the Department of Health in order to achieve a one off impact and recurrent benefits. We are waiting for the legal report which will identify the opportunities.
6. During February individual budget setting meetings have again been organised with all

LDU and corporate leads to agree baselines, identify savings to budget lines, and ensure Trust-wide savings plans are clear and understood where budgets are being reduced. Further meetings in March will ensure budgets are signed off and granularity of the savings plans will come to the Committee.

7. STr reported that one of the main concerns currently is that some of the Clinical Commissioning Group may be looking to reduce funding by 7% due to Turnaround work being done in Bristol North Somerset & South Gloucestershire (BNSSG) which would have a negative impact on us.
8. The Committee agreed that the changes are difficult to manage and added that it is important to manage the communication of these to staff in a consistent way whilst seeking further savings opportunities.

FP/16/144 Performance report

1. MP informed the committee that Delayed Transfer of Care (DToC) is the only non-compliant indicator on the NHSi dashboard: it has improved in several localities but is broadly unaltered. The current figure is 11.6% against a target of 5% by April 17. The required reduction (to achieve the target) would equate to around 20 service users being moved to locations more suitable to their needs.
2. Work has been completed on systems to identify and monitor activity in these delays and develop standard operating procedure across AWP with detailed procedures for each locality underneath. This will also include much more detail on what causes the delays.
3. Whilst the average length of delay has reduced, attentions of the Senior Management Team coupled with the focus and cross-party (AWP, CCGs and LA) engagement of the DToC Task & Finish Group has led to more service users being identified as DToC. As a result the total number of DToC has remained at around 35-40 during M9/10.
4. In relation to service users being placed out of trust, MP informed the committee that these reduced from 34 to 9 at the end of last year, but rose above trajectory in January to around 20. Whilst still lower than at this time last year, the spike has been attributed to a 40% increase in admissions over this period.
5. MP also reported that referral rates demonstrate higher than anticipated levels of activity during January and workforce information shows improvement in sickness, supervision and statutory/mandatory training, while other measures remain unchanged.
6. Risks are now the subject of improvement monitoring by the Operations Delivery Group and some new risks have been added to the register and will be discussed at ET.
7. LDUs show a range of performance levels ranging from Wiltshire with seven areas of non-compliance to South Gloucestershire with none.
8. CB reported that Wiltshire DToC, is always an issue despite a robust process in place with the Local authority. They have also had concerns about their Referral to assessment figures, but they have made good progress and have under 10 breaches a month. Workforce is an ongoing problem.
9. JMc reported that referral to assessment is the main issue in Bristol. All the GP referrals have urgent listed on them.
10. MO suggested that the top risks for LDUs should be included and the mitigations/financial impacts **ACTION MP**

FP/16/145 Workforce Deep dive

1. This item was deferred

FP16/146 Commercial Update

1. JR pointed to the added timeline for Commercial activity.
2. JR informed the committee that the report is divided into 3 separate areas. The first being the opportunities available through formal procurement, the second through forming new opportunities through partnerships and the third through pursuing national opportunities and funding.
3. Formal procurement: - We have been successful in the Veterans contract. This is a partnership opportunity with Berkshire Health; Urgent Care in BSW:- this has been very challenging. We are not on the front line, but it is important for us to support them through our system.
4. Future procurement mostly relates to Specialised services. This particularly means the Recovery Orientated Alcohol and Drug Services (ROADS) contracts in Bristol. A specific piece of work is being carried out with the Specialised LDU and a further update will go to the Executive team in March and then to this Committee.
5. MO asked how these procurements are feeding through into the budget plans for next year. STr assured him that they are linked into the target income plans for the LDUs.
6. JR advised the Committee that they have a commercial evaluation process that takes us through from the opportunities, risks and benefits of a contract to the post project evaluation meaning what are the likely outcomes. This includes a full financial evaluation of the project. Each project has oversight of the Executive Team ahead of any bids going through.
7. Other procurements are B&NES, Swindon and Wiltshire (BSW) CAMHS, B&NES, Swindon and Wiltshire Urgent Care Services, B&NES Urgent Care Centre and Your Care Your Way.
8. Potential partnerships include Bristol Entrenched Rough Sleepers Project. JR advised the Committee that she is working with Sarah Knight to look at this which is a Social Impact Bond. We need to be clear on what the implications are around the legal and commercial aspects. EM offered his help in looking at this as he has experience of working with Social Impact Bonds. **ACTION EM/JR**
9. Other opportunities are University Mental Health Support, Secure Services Partnership and South West CAMHS Network.
10. There is also an opportunity for expansion of the CAMHS inpatient unit through some funding from NHS England. NHS England are keen to help us expand to 12 beds. This provides an operational benefit due to increased funds, but also gives us the opportunity to offer more support for patients.
11. LR reported that things are progressing slowly with Virgin, who are very interested in our services, but have not yet met with us.

FP/16/146 Update on the Annual Operating Plan

1. JR informed the committee that the Trust is required to submit an Annual Operating Plan to NHS England each year, and this is the most up to date version which sets out the plan and objectives for achievement.
2. JR commended the LDUs for the work they have done to pull together the Service Improvement Plans which will deliver service transformation and change. These will be put into a Trust wide programme of projects. This will then be linked with the Annual Objectives.
3. Workforce changes are contained within the LDU plans which will help sustain changes in sickness, appraisal, supervision and training levels.
4. JR commented that we need to be clear on how the in year operational plans fit with the long term the Trust Strategy and STP work. This link is being maintained and managed.
5. Work on Estates and IT is a matrix based approach. Some about how IT supports LDUs and some about supporting the Trust as a whole.
6. MO asked for clarification that the full Commercial plan will be brought to the Committee

on 24 March which will then go to the Trust Board the following week.

7. MO asked for the comments from Q & S regarding this plan need to come to the Committee ready to pass on to Board.

FP16/148 Finance Risk register

1. STr presented the risks to the Committee. He confirmed that the Finance Team are now fully staffed. They are now looking at realigning Management Accountants to ensure they are aligned appropriately.
2. There are 2 areas which are issue. One is the income base and one is the Contract base where it seems we have been exposed to acute hospitals charging an amount that wasn't agreed.
3. The procurement team are also fully staffed now meaning the level of risk has been downgraded in this.
4. The next issue is the delivery of the Cost Improvement Programme. This links into the Corporate Risk register.
5. The number of risks regarding the Cash position is now reducing due to the ongoing work in this area.
6. STr commented on the difficulty of extracting risks from Risk web. Others agreed that the system does not work well as a reporting mechanism.

FP/16/149 Project Register

1. Linda Hutchings (LH) presented the report which the Committee requested to measure financial delivery alongside project delivery wherever possible
2. The project register was attached to show finance delivery status – has been added. This has been categorised as follows: Green – achieving or over-achieving the associated financial target / Amber – within 10% of the identified milestone for the financial target / Red – below 10% of the identified milestone for the financial target / Purple – Savings not yet determined or unable to be determined/aligned with the specific project / Grey – No savings planned as part of the project.
3. There are a lot of projects graded purple and this reflects the fact that either the inclusion of this indicator is new or that an individual savings plan may not have been developed for the specific project. .
4. The project register has reduced in size since last month as a result of tidying by the Director of Finance and the Head of PMO. The removed items have not been lost and may well re-enter the register at a later date.
5. None of the projects are showing as red in terms of project delivery. The bank and agency project is showing red in terms of financial delivery – although savings have been realised from underused hours, the anticipated benefit of the new safer staffing models have yet to impact financially as planned.
6. The financial modelling in respect of the Bristol projects has not been undertaken individually, but there has been an overall reduction in cost and financial variance.
7. LH would like to bring a closed down list to the next meeting with a list of the new ones for the coming financial year, meaning the report will be clearer.
8. MO said that this report will be useful to decide which areas need a deep dive in the future.

FP/16/150 Any Other Business

1. Quarterly Performance Reporting Framework. JR presented this as being for the Executive team to report back on their work with LDUs looking at their Quality, Risk, savings plans and Core Performance and bring back issues/areas that need more support to this Committee on a quarterly basis.
2. Comment was made that this needs to go to the Quality & Standards meeting for

comment too.

3. The Committee approved the framework as being tested for use.

4. Committee Evaluation:

The Committee scored the meeting an average of 3.83 with a mean score of 4.

Areas that went well:-

- Contributions
- Conversation and discussion
- Papers going out on time
- Discussion on Project management
- Reports very clear and good quality
- Papers are read
- Issues are addressed not buried
- Good chairing

What could have been better:

- Performance report needs to be more focussed on what is needed here.
- Front sheets need to be altered
- Make more use of the localities attendance
- Connectivity between the papers
- Add papers to note to the end of the agenda