Avon and Wiltshire NHS
Mental Health Partnership NHS Trust

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

Held on 21 April 2017 at 1.30am, in Seminar Room 4, HQ

These Minutes are presented for **Approval**

Members

Sue McKenna (SM) - Director of Operations
Ernie Messer (EM) - Non-Executive Director
Mark Outhwaite (MO) - Chair
Simon Truelove (ST) - Director of Finance

In Attendance

Carol Bowes (CB) – Managing Director Wiltshire
Sarah Branton (SB)
Suzanne Howells (SH) - Managing Director, North Somerset
Linda Hutchings (LH) Head of Programme Management Office
Jenny Macdonald (JM) - Managing Director South Glos
Dick Beath (DB) Head of Investment and Planning joined the meeting at 2pm
Charlotte Moar (CM) Managing Director, Bristol
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
Pete Tilley (PT) – Deputy Director of Finance
Erika Tandy (ET) - Corporate Governance

FP/17/001 Apologies and appointment of Vice-Chair

1. Paula May, Liz Richards, Newlands Anning and Rachel Clark.
2. The Chair, Mark Outhwaite (MO) informed the committee that Ernie Messer had been appointed as Vice Chair and would chair his first meeting in May.

FP/17/002

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/17/ 003 Declaration of Members' Interests

FP/17/004 Minutes/Summary of the Meeting on 24 March 2017

1. The minutes were approved as accurate.

FP/17/005 Matters Arising from the Previous Meeting

1. Deep Dive into the lessons learned from the Business Planning process – on agenda. Jane Rowland (JR) stated that this would come to the May meeting. The Chair requested that this was reflected on the action tracker.
2. Top risks for Local Delivery Units (LDUs) and finance information would be included in the Performance report. Sue McKenna (SMcK) apologised to the committee as this had not been included in this month's report as had been problematic. The information would be included in the May report. To be updated on the action tracker.
3. Horizontal Reporting process – this had been revised so this item could be closed on the action tracker.

4. Dorset Drug & Alcohol service has gone out to formal Procurement. The Financial evaluation of this is currently ongoing - on agenda**.**
5. Deep Dive on agency spend – on agenda.

FP/17/006 Month 12 Finance Report/LDU delivery update

1. Pete Tilley (PT) presented the report. 1. The Trust achieved an in month deficit of £2.5m, which has brought the final year end position to a £8.9m deficit. This represents £11.4m off plan. Per M11 reporting a deficit of £12.2m was expected before adjustments for prior period adjustments – the £8.9m final position includes the impairment of capitalised Hillview costs and so is in line with the previously reported position.
2. The normalised monthly run rate (income less expenditure) had increased to a £1.2m deficit, which was £500k worse than the trend of previous months. This was predominantly due to a sharp rise in pay costs seen in M12. The actual deficit seen in March was £2.5m. The actual deficit in March was £2.5m primarily due to the profiling of payments and adjustments into M12 – it also includes items that were previously recognised "under the line" in the summary of risks table where the items are still appropriate.
3. CIP plans ended the financial year with non-delivery of savings of £3.4m due to the delay in delivery of savings. This represents an adverse movement of £0.3m as compared to the position forecasted at M11, primarily due to the final position on non-pay capitalisation now being reflected.
4. The Trust drew down a total of £5.9m in year from its revolving working capital loan and is forecasting that a cash requirement of up to £6.7m will be required in 17/18 dependent on the level of the savings programme realised. Better Practice Payment Code (BPPC) shows a significant increase in both NHS and non-NHS with clearance of cash coupled with a reduction in debtors in month 12.
5. The capital programme ended the year within the current CRL (£6.8m) – some of the slippage originally anticipated into 17/18 has not materialised (Southmead) and so the plan for 17/18 has been adjusted accordingly.
6. Bank Spend increased by £0.42m as compared to M11 with agency spend up by £0.24m against M11. In total temporary staff expenditure was £0.5m greater in M12 than the forecasted position anticipated at M11. A significant amount of the increase in agency spend was due to a spike in off-framework agency having to be used at short notice.
7. In order to mitigate the significant increase in pay expenditure in M12, funding received from HEE for STP workforce development has had to be utilised. This funding will need to be provided for in 17/18 in order to deliver the outcomes agreed with HEE.
8. Ernie Messer (EM) requested more clarification with regard to the run rate moving into 17/18. PT stated that this if a normalised position of 600k was assumed then the position could be somewhere around 700 to 800k as pay inflation and apprenticeship costs would have an impact. If bank and agency overspends seen in March continued into April then the run rate could be around £1.2m or more.
9. Simon Truelove (STr) stated that it felt 'hot' with regard to the month of April for temporary staff. Changes in filling shifts had changed which had led to higher costs. In essence this seen is a step-up of costs so April will be difficult.
10. SMc felt that the situation is not as simple as was thought, as staff are making on the spot decisions (e.g. when staffing levels are low). Also once staff are booked then these requests are not always removed. Another impact on this had been because when staff have been booked so far in ahead then there is the possibility that they then pull out at the last minute.
11. The Chair asked the LDUs their opinion on this and Suzanne Howell (SH) agreed with the comments from SMc and STr: staff going off sick at the last minute leads to having to use the most expensive staff. Matrons are trying to review this but it is definitely a struggle.
12. Carol Bowes (CB) stated that a review is happening which would include a number of incentives; but felt that even some minor tweaks could happen which would assist. There

was the hope that learning will come out of the workshop planned for next week.

13. EM requested that with the RAG ratings arrows should be added which would indicate the direction of travel. This was agreed for the next report. **ACTION: STr/PT**
14. EM queried whether the trust would see any impact from the changes to the Inland Revenue (IR) 35 rules. STr felt that there would probably not be, any impact would be possibly from people not wanting to work for the trust, so would be more operational than financial.
15. PT felt that the IR35 changes could lead to agencies looking to increase wages, but the majority of people affected would not be front line staff. Many people have simply said the proposed changes are fine and they would be happy to be added to the payroll.
16. MO queried what the key drivers would be on Cost Improvement Plans (CIPs) from 16/17 moving into 17/18. PT answered that the trust could draw a line under most of the 2016-17 'historical' finances. STr reported that the £20.5m savings gap tool took the assumption as to where the trust was on the CIP, and SSG Health have validated the £20.5m challenge through their review.
17. SMc stated that future pieces of work on the key drivers linked to CIP would be carried out, and that this would include understanding skills and capability.
18. The Chair asked LDUs what had been difficult for them. All LDUs had delivered against their CIPs for 2016-17 but stated that the national CQUIN (e.g. Accident and Emergency) was/could be difficult as it was sometimes unclear what had to be delivered. CB stated that the Wiltshire locality would have challenges with CIPS and recruitment and retention going into 2017-18. The locality would be asking for support with this as there was no easy plan for the CIP and it takes time and planning.
19. SMc stated that she is aware of the gaps and what needed to be looked at, and she would also be looking at Sustainability and Transformation Plans (STP) footprint areas. The data collected from Meridian would also help.
20. Sarah Branton (SB) stated that the LDUs are at the stage of needing transformation; they need to be clear on what they are providing. Jane Rowland (JR) stated that the corporate department could assist with these conversations to ensure that a 2-way agreement is fully considered.
21. MO queried how risk would be managed with regard to cash modelling. STr explained that there were 2 cash flows; one worked on the assumption of full delivery and the other that assumed part delivery. NHS Improvement (NHSi) had been made aware of the cash requirements the trust may need moving into 17/18.
22. MO queried what the high risks for debtors were. PT explained that Wiltshire and Bristol were big values, but there was only a relatively small amount of risk, primarily associated with the transition invoices for the Daisy Unit. A big risk was the Salford Clinical Commissioning Group (CCG) client, and the finance team had been working on the assumption that we would get half of these costs. If the patient isn't discharged moving into 17/18 then the risk continues, but the assumption will continue to be that the trust will get funding for this patient from commissioner to be confirmed.
23. MO queried when this would be resolved. STr stated that Amanda Lyons from NHSi had been chasing this with NHS England (NHSE). AWP had been trying to sort out residential care for this patient but that had been tricky due to the level of challenge from the individual. This was being discussed with 5 different providers, and if this is not possible then the local CCG will try and find a bed for this patient.
24. MO felt that this needed to be escalated by the trusts' Chief Executive Officer with Amanda Lyons as there is a sense of urgency about resolving the issue.
25. STr also reported that some of the areas of corporate spending for 2017-18 had been reviewed but not all areas. More information on the Financial Improvement Plan (FIP) was going to trust board on 26 April.

FP/17/007 Key Financial Risks

1. STr apologised to the Committee for not providing a paper and stated that he had given a verbal update to Audit and Risk (A&R) this morning; the key risk was cash. STr and PT would ensure that this paper came to the next Finance and Planning meeting. **ACTION: STr/PT**

FP/17/008 Update on the FIP

1. STr presented the update: - following agreement with NHSi it was agreed that a "partner" be sought to aide AWP in the overall objective of the second wave of the Financial Improvement Programme ("FIP2"). This overall objective is: "to provide support to the trust to reduce costs materially thereby significantly improving both their 2017/18 and 2018/19 outturns while maintaining delivery of safe care"
2. Following agreement that AWP would participate in the process, NHSi issued a tender to ensure financial compliance was adhered to. The outcome of the tender was that a number of suppliers responded and NHSi "matched "potential suppliers with NHS trusts. The process was all conducted within the regulations set out within the national framework. Following this matching process AWP and the selected supplier SSG met and discussed the needs of the organisation and agreed a position moving forward.
3. The cost of this contract award is variable based on the agreed phases of work be completed. There are potentially four phases of work, however there are multiple clauses in the contract that ensure that each phase must be fully completed, before the next phase can begin and the AWP can terminate the contract at the end of any phase. Initially phase 1 & 2 up to £269,100. Phase 3 up to £1,542,976.
4. As a result of this tender, the matching process and the internal process, it was agreed that SSG were the most appropriate company for AWP to work with. This decision is based on, a number of factors including, value for money, ease of access, understanding of mental health services. STr
5. STr informed the committee that A&R had ratified the proposals with regard to the FIP, and that SSG would be working with the trust for a period of 6 months. The Executive Team (ET) would discuss this on Tuesday 25 April and at Trust Board on 26 April.
6. MO queried how the reporting on this would be done. STr explained that this was a 2 pronged approach and a weekly report would be given to NHSi from SSG. There is the expectation that SSG will attend the Executive Team meetings on a fortnightly basis and would attend the Finance & Planning meetings on a bimonthly basis. It had been an intensive time with providing the information that SSG required, (e.g. from the Project Management Office) but the work/improvements that SSG completed would remain with the trust once SSG had left.
7. Malcolm Shepherd (MS) queried what the run rate assumptions were in order to generate the £20.5m figure. He asked if SSG would know the risk from the spike in pay costs in March. It was confirmed that the £20.5m has been based upon the M11 position .so the worst case scenario could be a challenge of up to £30 million if the March trend continued throughout 17/18. EM queried the costs for using SSG. STr stated that this would consume the majority of our contingency. It was felt that the ET and the Extended Executive (EET) forums would be the best places to get into the mind-set of SSG.
8. It was agreed that an action plan and progress against these would be brought back to the F&P Committee, alongside general reporting where SSG had been assisting. **ACTION: STr**

FP/17/009 Corporate & Operational Services Benchmarking

1. STr introduced Dick Beath (DB) who was the Head of Investment and Planning.
2. Over the past 3 months, the Trust had been working with colleagues within NHS Improvement and with other Mental Health Trusts to benchmark its corporate services.
3. A detailed analysis has been provided by NHS Improvement which set out the Trust's benchmarked position compared to other providers within the BNSSG STP footprint, compared to other Mental Health Trusts Nationally (Trust Type) and compared to the

national benchmark. Additional benchmarking work had also been undertaken by Finance leads from the following organisations: Norfolk and Suffolk NHS Foundation Trust; Hertfordshire Partnership NHS Trust; Kent and Medway NHS Trust ; AWP

4. Finance - the total finance function was the best measure and was just a little higher than the Trust type LCQ (Lower cost quartile). The financial accounts function looked high but this had not been adjusted with up to date knowledge about the capital, charitable and treasury function which would reduce it, and which would be shown under these headings. Management accounting looked high, but was more comparable to the Trust type LCQ. Recent changes in 2017/18 reduced the AWP figure to below the Trust type LCQ. Accounts payable benchmarks well for overall cost and cost per invoice.
5. Governance - the Governance function looks high. The figures submitted did not have the latest thinking on functions from the present Director of Nursing, nor to the increase in the structure in 2017/18
6. Human Resources - this measured high for overall HR function. From Appendix 1, the L&D and workforce analytics are high too. The trust would like to clarify with NHS benchmarking whether some of the training, particularly mandatory, be excluded from the figures as might be the case in other Trusts. The temporary staff team is also very high compared to other Trusts. The comparators also differed from one another with the Trust Type LCQ being much higher than the other two comparators. This reflected the more complex HR environment of Mental Health Trusts
7. IM&T - the benchmark looked high and the amended figures from AWP do include Information Governance and FOI. We are clarifying for the next submission, how much of the non-pay IT contracts should be included or not. 50% of the AWP costs are non-pay contract systems figures, which may not be included in other Trust's figures as they might be considered operational.
8. Payroll - this benchmarks higher than all comparators but by only 8.5%.
9. Procurement - this benchmarks low, which would be understandable in the light of the vacancies that have been part of the team in 2015/16.
10. Members of the Committee felt that there needs to be a clear audit trail, and as with any benchmarking more questions arise than answers. STr considered how aggressive the trust would want to be with its challenge. Benchmarking shows the potential opportunities that need to be taken but it is the trusts' decision as to how far to take these. EM echoed STr's opinion and asked whether there would be recommendations on this coming through via the FIP. STr confirmed this was the case but declined at present to share further information on the FIP as it will be discussed at the Board next week.
11. MO encouraged all to start targeting improvements and observed that staff would need to be effectively supported so they can be 'SMARTER'. From these discussions it was agreed that benchmarking should be included in the annual objectives. **ACTION: Rachel Clark (RC)**
12. In relation to service line reporting MO asked for some clarity on how the numbers stated in the report related to the M10 forecast table. DB confirmed that some of the variance indicated was control and some was structural EM asked if flat lining costs were being used and DB confirmed this was the case. Page 5 of the report showed further breakdowns by service type and bed day costs. DB outlined that here was also the opportunity to drill down to diagnosis codes in the future.
13. STr had wanted to share this as it was part of the CIP to give the committee a flavour of what was being undertaken. Payment By Results (PBR) comparisons will also be done, alongside looking at costs that have a 'local' focus such as travel within Wiltshire, and examining high pockets of certain staff groups.
14. DB informed the committee that the next steps will be to carry out quarterly reports on service level reporting and MO requested that when learning is available he would like to see a worked case study coming back to F&P. STr added that it would also be beneficial to focus on CCG under-funded areas.
15. The Committee noted the report.

FP/17/010 Agency Spend Deep dive

1. The Committee noted that further work was needed on this issue.

FP/17/011 Final Budget Progress check

1. STr informed the committee that the majority of budgets had been signed, and some had caveats in place. Secure services had not been signed off at present as this would need a variation. The Child and Adolescent Mental Health Service (CAMHS) had proved problematic so remains un-signed, and work is continuing on this. STr is aiming to get all other budgets ready for sign off by the week ending 28 April, and this would include Estates and IT. He also reported that Bath and North East Somerset (BANES) has got a historical issue which is being worked through.

FP/17/012 Performance Report

1. SMc apologised to the committee as they had not been able to make the proposed changes to the report due to Care Quality Commission (CQC)/SSG demands on staff time. A workplan had now been put in place to support the appropriate staff.
2. Delayed Transfers of Care (DTOC) - the report provided a performance summary which highlights DTOC as the only non-compliant indicator on the NHSI Dashboard. The current figure was 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. Whilst the average length of delay had reduced, numbers of individuals at any one time remained high.
3. The reduction in Out Of Trust placements seen in recent months was holding, with around 7 service users in facilities outside the Trust day by day, compared to the 15-20 seen 3 months ago.
4. The report showed improvement in appraisal, statutory / mandatory training, and sickness rates though there remained services that required improvement (including issues of non-compliance for appraisals and statutory/mandatory in corporate functions).
5. EM queried the figures on page 6 of the report; and what were the reasons for delay? SMc stated that this was due to different measurements.
6. MS asked North Somerset locality why their figures were showing improvement in comparison to other LDUs and it was explained that this was due to lots of DToCS being identified with the LA. CB stated that for Wiltshire this would be discussed at CQPM next week, as there was not an appropriate level of availability of placements in the Wiltshire area for DToCS. There would be the need for the local authorities and the CCGs to work together to rectify this. STr asked if this was due to the availability of beds or that the local authorities and the CCG are not communicating effectively. CB felt that to some extent the issues could be due to the closure of Charter House, and also expressed concern as her contact in the local authority who had been helpful was due to retire soon; which could have a further detrimental effect on communications.

FP/17/013 Commercial update & impact for 17/18

1. JR gave Rachel Clark's (RC) apologies for this section of the meeting, and explained that RC wanted to agree a revised model for committees and board, which would take place over the next couple of months.
2. Dorset Drug & Alcohol Service – the aim was to continue to develop the trust proposal in respect of service delivery, quality and governance and safeguarding, and meet with the Trust legal team to understand the TUPE implications and what correspondence now needs to take place with the commissioners. There was also the need to continue to develop the financial model. After discussion it was agreed that a best and worse case review would be completed with regard to TUPE, which should incorporate risks. this

should be first reviewed by the Executive Team and then taken to trust board (part 2) on 26 April. **ACTION: JR/RC**

3. Urgent Care Services across B&NES, Swindon and Wiltshire- the Trust had been approved by Medvivo (the GP out of hours provider for Wiltshire), to support a bid being co-ordinated across the local community. They would be operating as the 'system integrator' and have secured the support of the three acute Trusts, Vocare (who currently provide the GP out of hours service in B&NES and have some considerable experience in providing NHS 111 services elsewhere in the country), Virgin Care and primary care colleagues across the footprint. They were keen to include AWP in their proposal to ensure that there was an evidenced link to mental health services and that, where appropriate, their staff were able to redirect service users to the most appropriate setting for their needs, first time.
4. Forensic CAMHS Services - in the coming weeks the following activity is planned: a meeting between CAMHS providers to consider a geographically wide approach to the procurement process, and AWP to evaluate its options as to whether to bid independently, or as a lead bidder or as a wider partner. Work will continue with NHS Property Services on the Riverside Unit for improvements to be undertaken.
5. Secure Services Partnership- the Trust continued to play an active role in the Secure Services Partnership, covering the South West region. There had been considerable activity in the last month, as the business model has been refined and developed further. JR informed the committee that it had become clear that a large amount cannot be re-patriated due to cohort types (e.g. women, people suffering with autism). Costs for re-patriation had to be cut back on, so different models of care would have to be looked at.
6. MO asked why the information only available now, and JR explained this was because the data only came through in the last week of March.
7. Perinatal services - the trust continued to press NHS England for a decision regarding the expansion of the Mother and Baby Unit from 4 to 8 beds. Indications are positive that this would proceed, however the Trust awaits formal notification of this before the project could mobilise.
8. EM felt that some strategy was missing from the consideration of future business. JR accepted this point but did feel that to a certain extent the trust was in a hiatus stage at present; she is trying to consider further what can be done.

FP/17/014 Project Register

1. Linda Hutchings (LH) presented the Project Register paper to note. The March report to the Finance and Planning Committee described in some detail the business planning, CIPS planning and external horizon scanning that had been undertaken to generate the 2017/18 list of projects.
2. Since that report, individual meetings had been held with each Executive Director to review the projects allocated to them, further develop the project scopes, identify project leads and start to identify interdependencies and potential pinch-points. Additionally, the Director of Finance has identified leads to provide financial support to each project. As a result, there were 7 confirmed programmes of work: Clinical Effectiveness; Community; Care; Infrastructure; Specialist; Strategic Development; Unscheduled Care; Workforce and a total of 32 projects.
3. Jenny MacDonald (JMc) thanked LH as she felt that this document was very clear so could accurately show what had priority and when, and who was responsible for this. The committee queried if there had been any feedback from SSG and LH reported that they had come up with the same 3 projects that the PMO had. The top 3 were workforce, procurement/services and clinical models/models of care.

FP/17/015 Any Other Business

1. MO had sent the Finance and Planning Committee Annual report out to all members for their comment.

2. Agency Deep Dive – it was agreed that STr/MO/AD and SSG would meet to decide how to form the report.
3. **Committee Evaluation:**

The Committee scored the meeting at an average of 4

Areas that went well:-
There was good debate and good discussion and the papers had the right balance
The level of scrutiny was appropriate
There were some serious discussions that took place and there was lots of information to consider
Excellent value is added to the meeting/s by LDU representation
The agenda was more manageable length wise

What could have been better:
Having more time to read the papers
Delay in getting improvements done to reports that have been previously requested
Worry and concern with regard to uncertainty at month 1 of the new financial year
Frustrated by agency spend report not coming to meeting
We will be moving into tricky areas so will need to consider how these discussions will be managed.

The meeting closed at 4.30pm.