Avon and Wiltshire NHS
Mental Health Partnership NHS Trust

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

Held on 19 May 2017 at 9.30am, in Seminar Room 4, HQ

These Minutes are presented for **Approval**

Members

Ernie Messer (EM) - Non-Executive Director Vice and Acting Chair
Sue McKenna (SM) - Director of Operations
Simon Truelove (ST) - Director of Finance

In Attendance

Carol Bowes (CB) – Managing Director Wiltshire
Linda Hutchings (LH) Head of Programme Management Office
Rachel Clark (RC) – Director of Strategy
Mathew Page (MP) – Deputy Director of Operations
Liz Richards (LR) - Managing Director, BaNES
Jane Rowland (JR) - Head of Business Strategy
Malcolm Shepherd (MS) – Non Executive Director
Pete Tilley (PT) – Deputy Director of Finance
Jennifer Ward (JW) - Corporate Governance

FP/17/016 Apologies

1. Apologies were received from Mark Outhwaite, Suzanne Howells, Sarah Knight, Paul Townsend, Jenny Macdonald, Paula May, Sarah Branton

FP/17/017 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/17/ 018 Minutes of the meeting on April 21st

1. The minutes were approved as accurate.

FP/17/019 Matters Arising from the Previous Meeting

1. Deep Dive into the lessons learned from the Business Planning process.
   JR explained that workloads and conflicting priorities had delayed production for this meeting. EM accepted this but later in discussion SMc explained that some of the outputs are needed urgently for operational planning purposes whilst other aspects can follow later as post implementation best practice. SMc and RC will identify each and action with appropriate timelines. **Action: RC and SMc**
2. Top risks for Local Delivery Units (LDUs) – Finance information included in the Performance report. The presentation of this will be built on over the next few months.
3. FP/17/007 - Month 12 finance report - EM requested that with the RAG ratings arrows should be added which would indicate the direction of travel. Completed.
4. FP/17/007 - Finance risks - on agenda.
5. FP/17/008 – Update on the Financial Improvement Plan (FIP). 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 Health had been assisting. **STr for June F&P**
6. FP/17/009 Corporate & Operational Services Benchmarking - Mark Outhwaite

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. **More precise detail was requested by SMc who will clarify off line with MO**

7. FP/17/013 - Dorset Drug & Alcohol service has gone out to formal Procurement. The Financial evaluation of this needs re doing - After discussion it was agreed that a best and worst case review would be completed with regard to TUPE, which should incorporate risks, should be first reviewed by the Executive Team and then taken to trust board in April. Within Commercial update. Item closed.

FP/17/020 Month 1 Finance Report/LDU delivery update

STr presented the month 1 Finance report.

1. The Trust achieved a financial deficit of £294k in the first month of the year, which is £221k worse than plan. The plan for the year includes efficiency savings of £8.9m which are yet to be identified. These savings are heavily weighted towards the end of the yearwith only £120k profiled into month 1. Therefore if the current spending pattern continued, the variance to plan will increase significantly through the year.
2. CIP Schemes are currently £0.5m below plan. Work continues via the FIP to close the current unidentified gap of £8.9m.
3. The Trust has a revolving working capital loan and has drawn down £7.3m which is in line with the estimated requirement outlined in the March Annual Operating Plan submission. The capital programme has spent a negligible amount in April though it was reiterated at IPG that all expenditure should be fully committed by the third quarter of the year.
4. The Trust is currently showing an overriding red on achievement of its control total based on performance at Month 1, with individual reds on borrowing requirements and high risk CIP targets.
5. Trustwide income is favourable this month due to a one-off receipt of £100k and the current expectation that the SIFT income will be higher than originally planned. Both of these items are included in the Other Revenue section. The majority of Trust income comes from block contracts with CCG commissioners and actual revenue is close to planned levels at this stage. The favourable position with Swindon CCG relates to the Street Triage service as budgets have not yet been added for either the income or expenditure sides of this service.
6. The Trustwide expenditure position is driven by high pay costs, which are £605k higher than plan in month. In month the non-pay costs are significantly lower than plan. Most of this is an underspend in establishment and transport costs.
7. In 2017/18 CCG income will be reported to the LDU to which the income predominantly relates. E.g. B&NES CCG block income is allocated to B&NES LDU. Overall income is broadly in line with plan, apart from Corporate income.
8. Specialised Services have an underspend of £171k in month. The main overspends are in Bristol and Secure LDUs. The Secure overspend is driven by 70 vacancies which are being covered at a temporary staffing premium and further pressures due to increased requirements for 2:1 support for patients.
9. There were the equivalent of 8.4 "out of trust placements" during April, compared with a budget of 5 beds, which has resulted in the above overspend. At month end 20 service users continued to be inpatients and therefore the overspend is likely to continue in May.
10. Corporate income is favourable due to an anticipation that SIFT income is higher than the original plan.
11. The key variances in month relate to Medical and Financing.
12. As part of the budget setting process for 2017/18, an efficiency requirement of £20.5m was identified. Through the sign off process, F&P and the board signed off identified savings of £11.7m, leaving a residual savings requirement of £8.8m. Through the review of projects with LDU's and corporate departments, the unidentified gap now sits at £8.9m.

Cash

13. The cash position at the yearend was £1,055k, being £22k above plan. This significant drop over the final month of the financial year left the Trust with little cash to spend on creditors in the first 2 weeks of April with block contract income and the first drawdown from DoH taking place on 15 April.
14. The Trusts Revolving Working Capital Facility (RWCF) currently stands at £7.249m with a further £1m approved by DH that will be received in May, taking this to a total of £8.249m. The latest plan submitted to NHSI for 17/18 shows a cash borrowing requirement of £6.350m against the agreed control total.
15. A further scenario model considering a reduced savings programme suggests a further £6.714m of cash borrowing which would take the total requirement of £13.064m for 17/18. This would give potential loaned cash position of £18.963m by the end of 17/18, which is all currently borrowed at an interest rate of 3.5%.
16. The cash holding at the end of month 1 has been held at £2m due to the continuing dispute with NHS Property Services and also North Bristol Trust regarding Mental Health Liaison.

Capital

17. Capital expenditure in month 1 is very low STr explained that this is not uncharacteristic of a programme where the previous year spent a significant amount late in the final quarter. The Annual Operating Plan submitted in March assumed £30k would be spent in the first month against actual expenditure of £9k.
18. The IPG group met in May and approved £100k for the attack alarm case for Fountain Way as well as the purchase of 1 ECT machine for Wiltshire. The group has suggested that the £100k be funded from the anti-ligature budget and the £18k for equipment from contingency.
19. Jane Rowland (JR) commented that the cash position is important as it impacts on the assessments of our ability to take on new business.
20. STR reported that we are in an improved position with our suppliers now, but that paying staff will remain the priority.
21. MS asked about the amount of engagement with NHSI. STr said that he is in daily contact with them, and they are discussing a programme of redundancy which could cost £2.6m.
22. There followed a discussion on the increase in the run rate and the impact of the non-pay related inflation. STr explained that the budgets developed so far will deliver on the predicted savings, but the amounts will be reassessed as the work of the FiP progresses. The detailed analysis of this and the timeframes have not yet been fully developed.
23. STr will bring the first draft of the FiP transformation plans to the meeting in June. **ACTION STr**

FP/17/021 Key Financial Risks

STr presented the Finance risk Register. The risks are listed as :-

1. CRP plans for 16-17 in place but plans need development to ensure achievements. Savings targets could be effected. To mitigate this Amanda Willis attends monthly FFPB and monthly team meetings.
2. Failure to achieve desired outcomes, contractual and CIPS. Due to turnaround in team staffing and lack of developed knowledge of some within the team. Mitigation **is in** place are that staff vacancies are now in place, the team restructure paper is currently under development and due for issue on 16 May. Team numbers are down by 50%. The vacancy hold is affecting the ability to recruit to all posts so priority is business as normal work and not additional tendering to support CIPS.
3. Growth of business development function needs, resulting in increase in amount of support required from already stretched procurement team resulting in additional workload and questionable skills. Due to the current staffing issues within procurement

this is now causing further problems due to the quantity of new bids requiring support, plus the additional work that winning new bids then requires. This is the contracting support, or the extreme additional support that has been required within the Buying Team.

4. The risk that if we do not retain our current business and achieve new business in line with our strategic plan, then we may not achieve our financial targets. Mitigations in place **are via**:-the CIPs programme, the Future Finance Project Board, the Project Management Office and the Reference costs working group.
5. If the Trust doesn't deliver its planned CIP target or identify new schemes to mitigate in year risks then it is likely to miss its agreed financial control total. Mitigations in place are Project Management Office oversight of CIP programme, monthly reporting to F&P Committee, PMO are now actively co-ordinating the Programme and reporting back through Transformation Project Board (TPB) on a monthly basis.
6. If the projected BNSSG financial position for 17/18 is £91m deficit (assuming a **£100m** savings delivery), the CCGs, which are in turnaround and looking to reduce cost by decommissioning services and reducing the amount paid to providers, will present a risk to the Trust by decommissioning services such as street triage which will then place greater demand on current services which goes against the mental health 5 year forward view. Mitigations include attendance at STP meetings.
7. Failure to improve the IT platform in AWP will restrict the level of service transformation and implementation of new ways of working. It will also restrict the organisations ability to save money due to the automation of certain processes. The standard of the core IT platform across the Trust is weak with poor IT infrastructure in some areas. Although the Trust has made head way with improving the resilience of it data centre the network and IT hardware is poor in many areas and in need of replacement. Mitigations include the IT Capital and IT Improvement Plan.
8. LH commented that the risk log should include the cyber security issue and SMc suggested that the financial risks from the Performance report could be added.
9. EM and MS commented that some dates have passed already and that the mitigations listed don't fully explain the process or contain detailed actions. STr will bring back a more detailed update to the next meeting **ACTION STr**

FP/17/022 Update on FIP & additional savings plans

STr presented the savings plan.

1. Since the March Board where the 2017/18 budget was partially agreed, the Trust has entered into the Financial Improvement Programme (FIP) to support the identification and delivery of additional savings in order to deliver the control total for 2017/18 of £2.6m surplus (inclusive of the Sustainability Funding).
2. The Trust Executive Team (ET) decided through the agreement of the Board to use the FIP as its delivery process for the additional savings requested by the Board in March. The FIP has therefore reviewed and risk assessed the current savings plan and identified further savings.
3. Following the phase 1 work the amount of savings identified by the Trust plus the extended savings identified by SSG would close the gap to a £4.7m deficit with the achievement of the control total moving to 2018/19.
4. The phase 2 report has built upon the work of phase 1 with the production of detailed scopes and project plans with clear milestones. The phase 2 report has also identified the lead AWP staff to each work stream.
5. There are 6 work streams that have a savings target and 3 enabling work streams:-
   a) Savings Work streams:- Workforce including rostering, sickness management and job planning, Procurement, New models of care for inpatients and community, Corporate and administration, Estates and Facilities and Specialist services service line review.
   b) The Enabling workstreams are; -Communications, Leadership and Organisational Development, PMO and FIP Governance.

6. The FIP programme is a pump priming initiative that brings more capacity into the Trust with each phase costing: Phase 1: £84,000, Phase 2: £100,000, Phase 3: £1,286,000
7. 15% of each phase will be held back and will be released if the return on investment (Roi) ratio is delivered. The current RoI is 5.2 in 2017/18 and 7.2 times the FDIP investment for the recurrent effect in 2018/19 of £16,470,000. Release of the 15% will be triggered when the Roi exceeds 6.
8. STr explained that the risks to the delivery of the FIP are that some of the savings may require redundancy funding and / or capital funding to accelerate the transformation. This is still being assessed and the committee will be asked to consider at a later stage. The FIP costs will be funded from the contingency fund of £1m plus other resources freed up as part of the FIP process.
9. The Committee discussed the risks associated with the FiP plan. These included the risk of allocating existing staff to the projects and the need to ensure they had the appropriate skills to help deliver the plans; the potential redundancy plan cost; the risk of community staff not wanting to sign up to the creation of inpatient beds in the community hospital; the reduction in Management capacity and the risk to staff morale.
10. SMc asked the Committee to recognise the work done by Carol Bowes (CB) in the wards- particularly Imber Ward (Now Poppy Ward).
11. Rachel Clark (RC) reported on the communications work around the FiP which Lexington Health have been helping with. There will be a weekly bulletin from Hayley Richards and the Ourspace communications will reflect the five headings:-FiP, LiA, Transformation, Strategy and QIP.
12. EM asked about capability and capacity within the PMO office. Linda Hutchings (LH) said that this is looked at routinely and that she feels very privileged to be supported by the team within SSG Health. STr added that they have been very supportive of our work.
13. SMc added that she is working through capacity for the programme in terms of the timings.
14. There followed a short discussion on the reaction of the Unions and the local authorities.. CB reported that the response of the union was good so far. SMc added that it is vital we maintain regular communication with all of our partnerships and the local communities to ensure we engage with them. She felt there should be a plan on how this communication will happen both for Stakeholders and Partnership and Business Development **ACTION.**
15. Localities were keen to get moving with engagement of key stakeholders and broader communication as staff are already talking about this. CB encouraged receive the information as soon as possible given the transformational nature of the changes.LR endorsed this.
16. The committee was asked to note the report and to recommend to the Board that it should either agree to the additional savings identified through the FIP or reject the FIP and request further internally generated savings.
17. With an adjustment of the fee details within the plan, and a change to say we will continue with SSG Health, rather than agree to the additional savings, **The Committee approved the progression to Stage 3 of the FiP plan.**

FP/17/023 Project Register

Linda Hutchings (LH) presented the Project Register paper to note.

1. The April report to the Finance and Planning Committee had described that following the process of business planning, CIPS planning and external horizon scanning, the Executive Team had confirmed the Trust would adopt 7 programmes of work, namely:
2. Clinical Effectiveness; Community Care; Infrastructure; Specialist; Strategic Development; Unscheduled Care; and Workforce, plus a total of 32 projects. The report also advised that this plan may be subject to change depending on the advice the Trust received from SSG Health.
3. LH said that Committee members will be aware that the Trust has now received two

reports from SSG Health. SSG Health's advice was that the Trust's portfolio of projects was too large and required consolidation, categorisation and prioritisation. As part of their diagnostic, they have worked at pace to re-shape the proposed programme of work. Additionally, SSG Health has provided advice on the PMO function and governance arrangements.

4. Each of the projects have been categorised in accordance with the recommendation in appendix one. In summary: -
5. Category 1 – business critical – these are the SSG recommended programmes of work that they will be directly supporting.
6. Category 2 – important – these are projects requiring additional visibility. The scope and management of these projects remain as per the original plan.
7. Category 3 – business as usual – these are projects requiring more monitoring than simply through normal line management arrangements. The scope and management of these projects remain as before.
8. The PMO have undertaken a piece of work to map the original projects with the revised project register as far as possible and this work was reviewed and amended by the Transformation Board, with SSG Health in attendance. It should be stressed that given the level of change, it has not been possible to perfectly map the projects but in summary, of the 32 original AWP projects: 16 are incorporated wholly or partially by the SSG proposed programmes, 6 are classified as important or business as usual and remain largely unchanged, 2 did not meet the classification for business as usual but will continue to be monitored through CIPS processes (Bristol and Prescribing and Pharmacy). 8 are removed, put on hold, picked up as enabling work or reverting to normal business.
9. The Transformation Board considered and discussed the project briefs prepared by SSG Health for the business critical projects, which were supported in principle. Work on developing the emerging hypothesis for these projects, validating the ideas, identifying project gateways, project champions, interdependencies, etc. continues.
10. SMc noted that the plan is slightly out of date as it is a continually changing process.
11. **The Committee noted the report.**

FP/17/024 Performance Report

1. Mathew Page (MP) presented the Performance Report. He explained that this was now a fully integrated report including Finance, Clinical and Workforce details.
2. Delayed Transfers of Care (DTOC) - DTOC remains as the only non-compliant indicator on the NHSI Dashboard. The current figure is 12.2% against a target of 7.5% by this first month of reporting for 2017/18. The numbers of individuals, particularly those on the later life ward, remains high with a fairly static number of service users awaiting nursing home/residential placements. As agreed at the recent CQPM, the Director of Operations will be writing to all Commissioners raising the case of each service user delayed for over 4 weeks. Commissioners acknowledged at this forum that they need to assist AWP in reducing DTOC by sourcing placements.
3. Progress has been made at the DTOC Task & Finish Group with trust-wide, multi-agency attendance improved. Testament to this has been the recent publication of a Trust-wide Standard Operating Procedure (SOP) capturing the agreed process for management and escalation of DTOC cases. Rebeca Eastley (RE) is working on a paper on the impact of DToC on service users health.
4. Inpatient Flow - Despite April's figures showing a continuing downward trajectory of Out Of Trust placement, the number spiked in recent weeks to around 20 service users but then since reducing to 16 as at 11th May. The reason for the change from an encouraging trend since January 17 is not entirely clear but will be associated with a number of Ministry of Justice (MoJ) admissions from prisons and the closure of 2 beds on Oakwood Ward.
5. Workforce - The report shows a continued improvement in statutory / mandatory training

and sickness. Sickness numbers are down, but Supervision and Appraisal figures haven't yet improved.

6. Bank & Agency - After a spike in Bank & Agency usage post the implementation of several new measures, the numbers appear to be stabilising and show signs of decreasing. As the Bank & Agency project is concluded, transitioning to the SSG Health mentored rostering project, an emphasis has been placed upon the scrutiny, by the Head of Nursing (inpatients), of roster management and short notice agency requests, which require authorisation by the Director of Nursing.
7. There followed a discussion on the use of Agency staff. EM highlighted that after a year's work we still haven't really addressed this issue. However, it is recognised that it is still necessary to use some agency staff to ensure quality of care. The cost of this includes a premium which can take LDUs over their budget for staff, as agency use is not budgeted for. Agency staff are reluctant to move into a permanent position with us and remaining on the agency books means they have more flexibility in terms of hours worked and leave. Some agency staff have other jobs and do some agency work in their time off. MP emphasised the need to train more Mental Health nurses. Both EM and MS questioned the current budgeting process which appears inadequate when Bank and Agency costs are all bundled together with WTE costs. This appears to mean a lack of financial accountability and reality for budget holders. This was strongly defended as NHS practice and will initially be taken off line by EM.
8. The Committee discussed the report. An overarching dashboard showing at a glance information was suggested. SMC commented that they don't have the time to keep altering the report format. EM suggested that the report is actually reduced to show the 'need to knows' rather than all the details. He suggested that the Board are asked to comment on what they feel could be reduced. **ACTION EM.**
9. The Committee agreed that the risk element is good, and suggested that a driver diagram would be the best way to present 'deep dive' results.
10. **The Committee noted the report**

FP/17/025 Commercial update

Jane Rowland (JR) presented the commercial report.

1. As previously advised to the Trust Board, Bristol City Council is proposing to retender its Drug and Alcohol Service provision (ROADS). Due to cuts in funding for these services, the available budget is being significantly reduced, which will result in a cost pressure for the Trust. The Trust has been working collaboratively with colleagues in Bristol City Council to understand how the inpatient detox service model can fit effectively into the wider procurement process. As a result of these discussions, the Council has confirmed that it would like to undertake a single action tender process (subject to Cabinet approval), engaging the Trust to continue this service provision without requiring a procurement process. The Specialised Services LDU has carried out analysis of potential models, reviewing how the quality of service provision can continue to be maintained even with the shortfall in income. A business case was presented to the Trust Executive Team, setting out the challenges and proposing a preferred option to move to a spot purchased model of provision, as well as changing the service delivery model.
2. JR explained that it was agreed that the Trust would develop a bid as a lead provider for Eating Disorders Services, and would seek to participate in both proposals for CAMHS Tier 4. The rationale for this is as follows: because the Trust has a strong track record in delivering innovative and effective Eating Disorders services, reflected in its low length of stay and strong community service; it would be challenging for the Trust to lead a CAMHS network - a number of service users are admitted to the Riverside Unit from the south west, therefore it would be appropriate to participate in the Cornwall proposal to ensure that there are smooth pathways in and out of services; and because the south west is poorly served in respect of inpatient capacity, joining the south west bid affords

the opportunity to work collaboratively with colleagues to develop alternative models of care that reduce the need for admission.

3. Discussion also returned to partnership and collaborative working and the concept of strategic partners going forward. This was subject to a discussion and presentation by EM at an earlier Trust Board Seminar last year. A number of people felt this needs to be reviewed again and action considered afresh. **Action: RC to take forward for Executive consideration.**
4. EM thanked JR for her report which was **noted by the F&P Committee.**

FP/17/026 Any Other Business

1. **Cyber attack -** STr reported that we have been relatively untouched by the attacks. We have been very open about our position so are undergoing checks because of this. There were 92 PCs that have not yet been switched on to update them. Engineers will be going out to do this
2. **Committee Evaluation:**

The Committee scored the meeting at an average of 3.84

Areas that went well:-
There was good debate and good discussion and the papers had the right balance
The level of scrutiny was appropriate and the challenge good – NEDs brought a different perspective to bear on issues.
There was a good degree of openness and "no blame" dialogue
There were some serious discussions that took place and there was lots of information to consider
The agenda was more manageable length wise

What could have been better:
More LDU input
More staffing detail (whole time figures by LDU)
More focussed detail instead of large volumes.
Assurance around the flow of the governance of projects.
Feedback on how the work of SSG Health is being received in the LDUs
Reports to be aligned and not containing slightly different data (by virtue of timing and sources)

The meeting closed at 12.40pm.