

Minutes of Finance and Planning Committee Meeting

Held on Friday 17th August 2012

Seminar Room 3, Jenner House

Present:

Alison Paine (AP) - Non-Executive Director (Chair)
 Tony Gallagher(TG) - Trust Chair
 Peter Greensmith (PG) – Non Executive Director
 Sue Hall – Interim Director of Finance
 Paul Miller (PM) – Acting Chief Executive
 Andy Sylvester (AS) - Executive Director, Operations,
 Pippa Ross-Smith – Deputy Director of Finance
 Carol Bowes (CB) - Acting Service Director, Specialised
 and Secure SBU
 Kevin Connor (KC) - Interim Service Director, Adult
 Community SBU
 Julie Warner (JW) - Operational Services Manager, Liaison
 and Later Life SBU
 Sam Robinson (SR) – Directorate Accountant , Adult Acute
 Inpatient SBU
 Nick Pinser – RSM Tenon

Louise Hussey (LH) - Assistant Company Secretary
 (*Minute taker*)

Apologies:

Emma Roberts (ER) – Company
 Secretary
 Peter Wilson (PW) – Head of
 Business Development & Bids
 Denise Claydon (DC) – SD
 Liaison and Later Life SBU
 Jane Britton (JB) – Foundation
 Trust Programme Director
 David Colyer (DC) – SD Adult
 Acute Inpatient SBU
 Kristin Dominy (KD) – Service
 Director, Specialised Drug and
 Alcohol Services

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1	Apologies Emma Roberts, Peter Wilson, Denise Claydon, Jane Britton, David Colyer, Kristin Dominy	
2	Minutes of the meeting on 20th July and matters arising not on the agenda elsewhere Item 5 – the final sentence should read ‘[I]t was agreed that the ToRs would be amended to reflect those changes <i>and signed off by the Trust Chair before being brought back to the Committee for information.</i> ’ Item 6 – <i>Decentralisation programme – Corporate Services Review</i> This should read – ‘[I]t was confirmed that the Corporate Services review has been <i>started</i> ’. 6.1 – <i>Rationalise and refocus KPIs</i>	LH

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	Any feedback on this workplan will be passed to Sue Hall over the next month.	ALL
4	<p>Fit for the Future Committee responsibilities</p> <ul style="list-style-type: none"> • SLM Audit <p>The committee received a Service Line Management (SLM) Assessment from Nick Pinson, Principal Consultant, RSM Tenon. This was conducted as an SLM audit against the existing SBUs using the Monitor SLM assessment framework.</p> <p>From this assessment the Trust has been given the overall score of 1.2 and it was noted that Monitor relates this score to an overall assessment that the Trust has limited implementation of service line management. Nick Pinson noted that Monitor will be looking for a score of around 1.5 for assurance that the organisation is moving in the right direction.</p> <p>It was noted that the break down of the scoring identifies that the weakest area for the Trust is around Strategy and Planning although it was underlined that this is not unexpected prior to the implementation of service line reporting.</p> <p>Paul Miller acknowledged that he recognised the conclusions within this report around performance management and the embedding of strategy at a management level. He underlined that the Trust is working toward empowering and decentralising the Strategic Business Units (SBUs). He welcomed this assessment as a baseline from which to measure progress.</p> <p>Peter Greensmith questioned whether this is seen as a tick box process or a means to manage and improve the organisation. Paul confirmed that it cannot be a tick box process as the Trust acknowledges it cannot manage a large organisation from the centre and must be in a position to adapt quickly to changing circumstances in a volatile world.</p> <p>Peter underlined that service line management must be adopted and understood by the SBUs in order for the organisation to move forward. Tony Gallagher noted that this is a challenge for the SBUs to take up and that the Board should set the framework and strategic direction for the Business Units to deliver.</p> <p>Alison Paine questioned the lack of strategic clarity from the centre to inform the SBUs. She asked for clarity on whether SLM is about management or leadership.</p> <p>Nick Pinson underlined that SLM is a framework and is about managing services going forward by devolving decision making. He stressed that in order for central management to allow this shift to take place there must be a framework for assurance that decisions made on the frontline are in the best interest of the organisation.</p> <p>Sue Hall noted that there is some confusion within Monitor around service line</p>	

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	<p>reporting and service line management in that the mechanics for reporting are potentially different from those for the management of the business.</p> <p>Kevin Connor acknowledged that the value of this assessment is to tell us where we are currently. He noted the planned structural and cultural changes and the effect on front line staff. He asked for clear articulation of these plans to enable staff to better understand their function in taking these forward.</p> <p>Nick Pinson noted that a key aspect of SLM is that engagement with this, clinical and otherwise, is crucial. He noted that Monitor will want to see evidence that SLM has been used as an appropriate methodology to manage services. He acknowledged that the Monitor assessment framework is both prescriptive and aimed at the acute sector.</p> <p>Tony Gallagher agreed that the Trust will have to demonstrate that it understands and uses service line methodology. He noted that business planning processes are not well understood and that allocation and apportionment needs to be better articulated. Pippa Ross-Smith assured the committee that this will be clearer in the next budget round. She also noted that the other side of SLM is the quality and care pathway.</p> <p>Alison Paine thanked RSM Tenon for this report and proposed that the committee noted this, as the Trust is currently engaged in a review of its structure which will be informed by this assessment. Sue Hall noted that the Trust will have to reflect the principles of SLM in setting up the framework for the structure, and that this should be with clinical and operational buy-in. It will be necessary to discuss what is meant by a service line and how this will be reported and a formal audit should take place once the structure has been embedded.</p> <p>Andy Sylvester noted that this information can be used now within the Operations Directorate when considering how it will work in the future.</p> <p>It was agreed that questions relating to this from the Business Units should be fed back to the Trust Board.</p> <ul style="list-style-type: none"> • FFtF Action Plan – outstanding actions <p>It was noted that there is a revised version of the action plan with columns that reflect progress made to date. Owing to annual leave, this is not currently available for circulation.</p> <p>Short term actions</p> <p><i>1.3 – Decentralisation Programme</i></p> <p><i>a – Corporate Services Review</i></p> <p>An interim paper went to EMT at the end of July which included an action plan. There are meetings with Directors to look at their new proposed functions. Work is on-going, reflective on what is happening more widely in Operations regarding structural re-organisation. Sue Hall is waiting to proceed further dependant on what comes out of this.</p>	<p>SH</p> <p>AS</p>

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	<p>Andy Sylvester confirmed the conversations that he is having with commissioners to assess progress against this. He is working with Mike Relph on a regular report to the Board on the on-going work of SBU locality leads and Client Account Managers with commissioners. He will bring this report to this committee to inform progress against this action.</p>	<p>AS</p>
<p>5</p>	<p>Commercial Activities Update</p> <p>The committee received a verbal update on commercial activities</p> <p><i>Swindon Cleaning Services</i></p> <p>TUPE transfers have taken place for the cleaning services in Swindon. This contract has now been running for one month and will be reviewed to understand how this is working.</p> <p><i>Bristol IAPT service</i></p> <p>The Trust has secured the first of two properties in Bristol. AWP is working with the PCT to support them in dealing with a backlog. The start date for the organisation taking on this service is 29th October.</p> <p><i>South Gloucestershire IAPT services</i></p> <p>The Trust has had confirmation of the award of this tender which will be worth around £500-600k.</p> <p><i>Wiltshire Autism assessments</i></p> <p>The Trust has had confirmed AQP status for these assessments in Wiltshire alongside two other providers. Carol Bowes confirmed that the expertise in the Bristol service would be utilised in Wiltshire.</p> <ul style="list-style-type: none"> • SDAS potential upstream issues <p>The committee received a report from SDAS on its commercial activities to date.</p> <p>It was noted that the Business unit has learned from activity already undertaken that they must be realistic and focussed when pursuing new business opportunities.</p> <p>Alison noted the discussion at the last meeting on formal partnerships such as that with Care UK and the intention that proposals for the setting up of substantial partnerships will come through this committee in future.</p> <p>The support required from the organisation to SDAS in support of their commercial activities was discussed. Andy Sylvester noted that they recognise that they have utilised operational managers to manage substantial bids and are looking to backfill these managers in order that services are not compromised.</p>	

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	<p>Tony Gallagher expressed some concern regarding back filling in terms of managing and maintaining established relationships within existing services, and with commissioners and localities. He cautioned that this process must be properly managed.</p> <p>Alison welcomed this encouraging report.</p>	
6	<p>Finance Report to July 2012</p> <p>The committee received this report which presented the Trust's financial position for the year to July 2012.</p> <p>Sue Hall noted that work on this paper is not yet aligned to the committee's revised workplan and therefore elements of the paper are not as robust as she would like.</p> <p>The committee noted the position at Month 4 and that the Trust is on track to deliver a £1m surplus at the end of the year. It was also noted that there is an underlying deficit in month which has been mitigated by a release of funds from a PFI insurance refund.</p> <p>The major risk area around the slippage on identified and unidentified CRES plans was noted and discussed.</p> <p>Staff costs</p> <p>The issue of staff costs was considered in light of the increase in temporary staff costs in Month 4 related in part to the increase in nursing bank costs due to the holiday season. Tony Gallagher recalled the discussion at the Board on the relationship between vacancies, bank and temporary staff and the need for this to be better explained. Pippa Ross-Smith noted that a major piece of work is planned to track this and to understand the real picture relating to vacancies. This report will come to the Trust Board for its consideration.</p> <p>Carol Bowes expanded on this from a Business Unit perspective. She noted that Specialised and Secure (S & S) have services that are underfunded to meet clinical demand and as the level of clinical demand fluctuates it is therefore necessary to have a flexible way of managing this within a flexible establishment model. She also noted that if every ward works to a full establishment this will lead to an overspend to cover issues such as short term carers leave. She underlined that a percentage of the S & S SBU budget is set aside to cover bank requirements and that their only area of overspend is in PICU.</p> <p>Julie Warner explained that Liaison and Later Life SBU have created their own risk pool to cover issues like maternity leave. She noted that the major issue is that wards are funded to reflect an 85% occupancy and that in reality beds are used at 95% capacity. Julie also noted the effect of keeping people in the community for longer and the knock on effect that inpatients are sicker and require a greater level of care when admitted. This has an impact on the level of staffing required.</p> <p>It was agreed that the Trust should be more disciplined regarding those who</p>	SH/ PRS

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	<p>should not be in our service but that this was complicated by the speed with which partners can work with us to facilitate this.</p> <p>The issues of unfunded S136 place of safety costs was discussed and it was agreed that it was necessary to engage with commissioners and partners, such as the police, to address this.</p> <p>Transport</p> <p>The continued overspend on transport was noted and the potential for the savings from the project work relating to this was discussed.</p> <p>Andy Sylvester described the on-going work to examine how the Trust manages transport arrangements and the expectation that in the next few months reports will be available to identify transport costs.</p> <p>Trust financial position by SBU</p> <p>Tony Gallagher requested that at the next meeting there should be a list of mitigations signed up to by Business Units to address shortfalls in planned savings.</p> <p>Peter Greensmith underlined that majority of the risk sits with the Adult Community SBU and Andy confirmed the sustained focus on managing this operationally.</p> <p>It was noted that <i>Appendix 7.1</i> was not correct and a revised appendix was distributed. Details of slippage on plans both unidentified and identified will be covered more fully in the next Board paper as it was agreed that this must remain in focus.</p> <p>Committee decisions recommended</p> <ul style="list-style-type: none"> The committee agreed to ratify and forward to the Trust Board the capital schemes and changes to previously approved schemes as identified in paragraphs 7.3 and 7.4 of the report, with the proviso that further explanation be provided on the significant changes outlined in 7.4.1.4. Andy Sylvester will ask the Head of Estates and Facilities to expand on this and report back to this committee. The committee agreed to recommend to the Board the reduction in the contingency budget from £2,000k to £1,000k. <p>Finance & Performance Report – new format</p> <p>It was requested that any comments on these proposals be forwarded to Pippa Ross-Smith and Andy Sylvester and that a more developed paper come to the next meeting.</p>	<p>AS</p> <p>AS</p> <p>SH</p> <p>SH</p> <p>AS</p> <p>AS/ PRS/ LH</p>
7	<p>SBU Business Development Strategy</p> <p>Alison Paine confirmed that meetings had taken place with SBU Service and Clinical Directors to take this forward and that initial documents had been</p>	

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	<p>essentially one year business plans.</p> <p>It had been agreed as a next step that the proposed new Commercial Director would be in a position to better define what a Business Development Strategy would look like for an SBU as these would inform a coherent trustwide strategy. This interim position is now not likely to be filled in August and it is therefore important to understand what immediate next steps should be.</p> <p>It was noted that updated Business Strategies had been received from the Specialised and Secure Business Unit and the Adult Acute Community Business Unit. It was agreed that these updates should be presented by their authors to this committee as they are completed.</p> <p>Peter Greensmith asked that the service user experience be reflected in these documents. It was also agreed that financial and commissioner requirements be properly considered in a systematic fashion.</p> <p>Kerry Geoghegan was commended on her structured document for S & S although Alison expressed some concern that the analysis of market sectors was descriptive rather than specific regarding market size and growth. It was noted that there are a number of unknowns around issues such as commissioning which complicate this for Specialised and Secure Services.</p>	<p>AS</p> <p>AS</p>
8	<p>Commercial Director Update</p> <p>It was noted that it is hoped that a decision on appointment to this post will be made in mid September following interview of a further candidate.</p>	
9	<p>AOB</p> <p>Peter Greensmith asked how many of the 32,000 people referred to the Trust in a year are referred to Community Services.</p> <p>Andy Sylvester undertook to get this information to Peter.</p>	AS
10	<p>Date and Time of next meeting</p> <p>21st September – 2.30pm</p>	