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Minutes of a Meeting of the Finance & Planning Committee

Held on 23rd November 2012 at 9.00am in Seminar Room 3, Jenner House

These Minutes are presented for Information

Members Present

Alison Paine (AP) – Non Executive Director (Chair) Tony Gallagher (TG) – Non Executive Director (Trust Chair)	Paul Miller (PM) – Director of Finance Sue Hall (SH) – Interim Director of Finance
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In attendance

Iain Tulley (ITu) – Chief Executive Carol Bowes (CB) – Acting Service Director, Specialised and Secure Services David Colyer (DC) – Service Director, Adult Acute Inpatient Services Jane Britton (JB) – Foundation Trust Programme Director	Pippa Ross-Smith (PRS) – Deputy Director of Finance Rob Wynn (RW) – Directorate Accountant, Liaison and Later Life Henry McNeill (HM) – Marketing Consultant Louise Hussey (LH) – Assistant Company Secretary
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Item		Action
1. Apologies		
1.1. Peter Greensmith (PG) – NED, Andy Sylvester (AS) – Operations Director, Kristin Dominy (KD) – Service Director, Specialised Drug and Alcohol Services, Denise Claydon (DCI) – Service Director, Liaison and Later Life, Kevin Connor (KC) – Interim Service Director, Adult Community SBU, Peter Wilson (PW) – Head of Business Development and Bids		
2. Minutes of the meeting on 25th October		
2.1. The minutes were agreed as an accurate record.		
3. Matters arising not on the agenda elsewhere		
3.1. 17.08.12 – (9) – PG’s query on the exact number of service users referred to Community Services will be answered shortly. <i>[Post Meeting note: details were provided on 23 November and circulated to committee members].</i>		
3.2. 25.10.12 – (3) – the promotion of trainee and graduate opportunities within AWP is due to be considered by the Employee, Strategy and Engagement Committee (ESEC), as part of the Work Experience Policy, on 30 th November.		

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<p>Sue Hall will report back to the next meeting on this.</p> <p>3.3. 25.10.12 - (9) The issue of RiO's inflexibility and the limitations to the Trust business development opportunities are understood. PM noted that the Trust is engaged in a process to address re-procurement at the end of contract, which would mean either a new supplier or a new RiO system. Issues around inflexibility will be addressed through the re-procurement process. It was noted that even within the existing framework, RiO can be used more flexibly and that these issues are being addressed at the Clinical Systems Management Group (CSMG). It was requested that CSMG report back to this committee on this.</p> <p>3.4. It was agreed that it is essential that the Trust work within a consortium in taking the procurement process forward. It was also agreed that this committee should remain sighted on the procurement process. PM agreed to update the committee on progress at the next meeting.</p> <p>3.5. SH was also asked to bring the Investment Framework criteria to the next meeting to more fully inform the committee.</p>	<p>SH</p> <p>PM</p> <p>PM</p> <p>SH</p>
<p>4. Finance & Performance Report (M7)</p> <p>4.1. The committee received this paper which presented the Trust's financial position to 31st October 2012.</p> <p>4.2. The committee noted the cumulative position of an actual surplus of £420k compared to a target surplus of £572k. It was noted that this is an increase in adverse variance of £150k from the previous month.</p> <p>4.3. The Trust has achieved a FRR of 4 in October and is still forecasting a year end surplus of £1,000k. The identified mitigations to cover the forecast variances are reported within the paper.</p> <p>4.4. It was noted that the risk identified within the annual savings plan remains at £2,500k with mitigations identified to cover this.</p> <p>4.5. The Trust is predicting total penalties of £410k of which £223k relate to B&NES and Wiltshire. The assessment process for CQUIN is still being clarified with commissioners and the worst case risk is £800k.</p> <p>4.6. The committee noted and welcomed the further analysis of drug spend within the report including a forecast of a £191k underspend at year end.</p> <p>4.7. It was confirmed that the Quality and Safety Committee are investigating high dose prescribing in a number of areas and it was confirmed that the new system will enable more accurate analysis of this.</p> <p>4.8. The committee reviewed the table on page 11 of the report which demonstrated the forecast position at M7 including mitigations. This identified that the gap is £400k should all risks materialise and all mitigations be put in place.</p> <p>4.9. PM highlighted that previously the organisation has resorted to using vacancies to address savings gaps and that it has been a deliberate move</p>	

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<p>this year to avoid this. It was noted that there has been very high agency usage in this year which should be addressed. It was confirmed that this is not linked to a downward pressure on vacancies.</p> <p>4.10. CB outlined the contributory factors to agency usage in Specialised and Secure Services including clinical presentations in Medium Secure, increases in sickness and the length of time taken to get people into post which can be around 3 months. Iain Tulley confirmed that the recruitment process is due to be considered at Trustwide Management Group (TWMG)</p> <p>4.11. TG asked for a quantification of the costs around substantive against agency and bank staff in terms of substitutional cost and the incremental cost of agency staff.</p> <p>4.12. TG expressed concern at the continuing gap at M7 and asked that mitigations and actions taken be more clearly expressed with a clearer understanding of the implications of 'High, Medium and Low' risk. TG sought further assurance that mitigating actions offset the exposures and PM undertook to provide this assurance for Board discussion next week.</p> <p>4.13. TG noted that as the Trust has missed its target in month there will be a risk for year end and asked whether this had been highlighted externally. SH confirmed that this position at been reported to the SHA.</p> <p>4.14. TG also asked for a table that identifies maximum and minimum exposures against CQUIN and Penalties. ITu asked there should be a process of tracking CQUIN as this is both a reputational and quality risk. It was agreed that this would be followed up outside the meeting.</p> <p>4.15. AP questioned the full financial implications related to the closure of Lansdowne and asked to see a monthly cost including lost income and stranded on-costs.</p> <p>4.16. It was questioned whether there are savings to be made of any substance and DCo outlined the re-balancing of work between the S136 suites and the Intensive Team in Swindon which could be further replicated to produce further savings.</p> <p>4.17. The committee considered the capital programme progress and decisions requested of it.</p> <p>4.18. Noting that only 14% of the capital budget is spent to date it was suggested that report information should include the percentage of committed budget.</p> <p>4.19. TG requested that in future the capital plan should reconcile concerns around the Trust estate. ITu asked how quality is driving capital decisions and identified Lansdowne as an example of this. It was agreed that the decision around the building work at Lansdowne would make an interesting case study and that any emerging strategic issues from this should be considered by this committee.</p> <p>4.20. ITu noted that the Trust has a challenge to simplify processes to ensure that it can re-align priorities if required to do so.</p>	<p></p> <p>PM</p> <p>PM</p> <p></p> <p>PM</p> <p>PM/CB</p> <p></p> <p>PM</p>

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<p>4.21. The committee resolved to agree the following:</p> <p style="margin-left: 40px;">4.21.1. The revised authorised capital envelope</p> <p style="margin-left: 40px;">4.21.2. The new bid for Equipment Bed Bases of £9k</p> <p style="margin-left: 40px;">4.21.3. To proceed to auction on Grove Road and reject the second tender offers</p> <p style="margin-left: 40px;">4.21.4. To accept the offer of £350k on the Lodge Causeway property</p> <p style="margin-left: 40px;">4.21.5. To proceed to auction on 54 Moravian Road and reject the current offers</p> <p>5. Activity Report</p> <p>5.1. The committee received a report on a high level overview of the Trust's activity for this period.</p> <p>5.2. The committee noted the high level issues identified in the report.</p> <p>5.3. It was confirmed that the service director for Liaison and Later Life is addressing the high level of Delayed Transfer of Care identified at 2.4 of the report.</p> <p>5.4. TG noted that he had recently had conversations about high levels of ward occupancy on two different wards in the Adult Inpatient Service. DCo undertook to investigate this and report back.</p> <p>5.5. The committee resolved to note this report.</p>	DCo
<p>6. Fit for the Future – medium term actions</p> <p>6.1. The committee received a report which identified the actions for which the Finance & Planning Committee has responsibility for scrutiny and assurance purposes.</p> <p>6.2. JB and SH have had discussions about the re-drafting of Action 14 – <i>Implement Decentralisation and Service Line Management (SLM)</i>. SH noted that it has been assumed that New Ways of Working is the method for taking this forward and that the accountability framework would follow this. It was agreed that the objectives should be re-written and that there is a need to understand what success looks like and how it would be measured. It was further agreed that SLM should be dropped from the terminology as this is not now a Monitor methodology.</p> <p>6.3. It was agreed that Action 13 is about Localism and Reputation and Action 14 relates to the Corporate Services review.</p> <p>6.4. AP questioned that the progress update in the report appears to be about actions rather than outcomes – it was important to track whether listed actions had delivered what was expected.</p> <p>6.5. In terms of Action 33 – <i>Amend Trust Performance Management Strategy</i>, SH confirmed that this is under review as a draft strategy and is currently going</p>	JB

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<p>through TWMG and internal management groups.</p> <p>6.6. The committee noted its assurance on progress against its actions.</p>	
<p>7. FT Application Update</p> <p>7.1. JB verbally updated the committee on progress against the FT application process.</p> <p>7.2. JB noted progress to refresh the IBP and SBU business plans which feed into this. She identified a workshop this week on the Long Term Financial Model (LTFM) and a planned workshop to examine business opportunities, CRES and savings plans. HM has work in hand around marketing and business development.</p> <p>7.3. JB noted the monthly oversight reporting process by which Executive leads assure themselves, which is then reported to the Board. TG asked if there is a formal mechanism for this sign off by Executives and it was confirmed that, as the data is retrospective, the Executive team, Board and its committees have assured themselves and are sighted on any issues. It was noted that this report confirms the position of the Trust as it is at the particular reporting point.</p> <p>7.4. ITu warned against the organisation becoming a slave to a process rather than properly giving itself assurance. He also noted that the cycle of meetings whereby the Board is assured is not yet right.</p> <p>7.5. The Board resolved to note this report.</p>	
<p>8. SBU Business Planning Update – Adult Acute Inpatient</p> <p>8.1. The committee received this report which provided an update on progress made by the Adult Acute Inpatient SBU in relation to the implementation of this year’s business plan and future plans to deliver the required level of CRES.</p> <p>8.2. The committee noted the key driver being the reduction of bed base in South Gloucestershire and the development of a ‘new’ 23 bedded ward on the Southmead site.</p> <p>8.3. In response to a question from PM DCo confirmed that there will be a phased level of skill mix by the end of the financial year as part of this process.</p> <p>8.4. ITu asked about the impact on quality from these changes and DCo confirmed that the assessment is that the changes will improve both quality and outcomes. DCo also confirmed that the new service has been benchmarked against data from other Mental Health Trusts.</p> <p>8.5. The committee resolved to note this report.</p>	
<p>9. Trust Annual Operating Plan</p> <p>9.1. The committee received a verbal update on progress against this.</p> <p>9.2. PRS identified that she expects to deliver a draft Operating Plan to the Trust</p>	

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<p>Board in February 2013 with the first cut being shared with the SHA in January 2013. PM noted that the working assumption is 'business as usual'. She noted that she is currently working on timetables with commissioners and is awaiting clarity on who the Trust should be working with.</p> <p>9.3. PRS confirmed that this committee will receive a range of documents in January and February which will outline the assumptions underpinning the Operating Plan. This will then be finessed in March.</p> <p>9.4. SH noted that it is expected that the draft 13/14 contract will be circulated by the end of December and guidance on CQUINS and Penalties in January or February.</p>	
<p>10. Commissioning and Tendering Activities Update</p> <p>10.1. The committee received a report which outlined the current and potential new business opportunities for the Trust.</p> <p>10.2. It was noted that a decision has been taken by the CCG Board with regard to Bristol re-tendering and that this is going to the Cluster Board on 28 November.</p> <p>10.3. The committee discussed commissioner convergence and Monitor expectations and how the Trust should approach this.</p> <p>10.4. It was noted that the Trust were not successful in retaining the Wiltshire community drugs service and that a route cause analysis is being undertaken to understand this. The Trust has not yet received any formal feedback.</p> <p>10.5. TG expressed concern at the reputational effect of this loss as the service is internal to our patch. AP commented that high levels of tender activity can sometimes result in a loss of focus on core existing business. The question of which business that the Trust should or should not tender for was discussed and it was agreed that an Investment Framework is essential. SH confirmed that she is working on this.</p> <p>10.6. TG underlined that this issue should be followed up immediately in light of the tendering of the SDAS BANES and Bristol services.</p> <p>10.7. The committee resolved to note this report.</p>	
<p>11. Marketing Update</p> <p>11.1. The committee received a Marketing update from Henry McNeill.</p> <p>11.2. The committee noted the high level marketing overview in terms of how the market is changing, what other Trusts are doing, who should the Trust partner and what could AWP do.</p> <p>11.3. HM outlined the PESTLE and SWOT analysis that he had undertaken.</p> <p>11.4. In discussion on the Competitive Forces Analysis it was agreed that the Trust must be clear on what its choices are and what its competitive</p>	

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<p>strategy is. It was also agreed that it is necessary to understand the marketing strategy of competitors and the nature of the competitive landscape.</p> <p>11.5. HM suggested that some services will need to compete on price and some on speciality and quality.</p> <p>11.6. HM confirmed that it is his intention that output of the workshops would be a 3 year Business Development Framework for the Trust.</p> <p>11.7. It was confirmed that next steps are in line with the Annual Operating Plan timetable and that work is on-going with re-refresh of the IBP.</p> <p>11.8. This work in progress was welcomed.</p>	
<p>12. AOB</p> <p>12.1. There was none.</p>	

Key to Abbreviations Used	
Abbreviation	For
Chief Exec	Chief Executive
DoF	Executive Director of Finance & Commerce, and Deputy Chief Executive
Exec Dir Ops	Executive Director of Operations
Dir FTP	Foundation Trust Programme Director
CoSec	Company Secretary
ACoSec	Assistant to the Company Secretary
ET	Executive Team
SBU	Strategic Business Unit
NED	Non-executive Director

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