

enabling and empowering people to reach their potential and live fulfilling lives

**Minutes of a Meeting of the Finance & Planning Committee**

Held on 18<sup>th</sup> January 2013 at 1.00pm in Willow Room, Bath NHS House

These Minutes are presented for Information

**Members Present (on site or by remote telephone access)**

|   |   |
|---|---|
| Alison Paine (AP) – Non Executive Director (Chair)<br>Tony Gallagher (TG) – Non Executive Director (Trust Chair)  | Paul Miller (PM) – Director of Finance<br>Sue Hall (SH) – Interim Director of Finance         |
| <b>In attendance</b>  |   |
| Carol Bowes (CB) – Acting Service Director, Specialised and Secure Services<br>Kevin Connor (KC) – Interim Service Director, AOWA Community Services<br>Jane Britton (JB) – Foundation Trust Programme Director | Henry McNeill (HM) – Marketing Consultant<br>Louise Hussey (LH) – Assistant Company Secretary |

| <b>Item</b>  |  | <b>Action</b> |
|--|--|---------------|
| <b>1. Apologies</b>  |  |               |
| 1.1. Iain Tulley (ITu) – Chief Executive, Peter Greensmith (PG) Non Executive Director, David Colyer (DC) – Service Director, Adult Acute Inpatient Services, Denise Claydon (DCI) – Service Director, Liaison and Later Life  |  |               |
| <b>2. Minutes of the meeting on 23 November</b>  |  |               |
| 2.1. The action against <i>Item 3/3.2</i> should have <i>SH</i> removed and replaced by <i>TG</i> .  |  |               |
| 2.2. 3.5 – The ‘Investment Framework’ should better be described as the ‘ <i>Tender Decision Framework</i> ’.  |  |               |
| 2.3. <i>Items 4.19/4.20</i> should have an action for <i>IT</i> but also a response from someone attending this meeting.   |  |               |
| 2.4. <i>FT Application Update – 7.5</i> – should record that ‘The <i>Committee</i> resolved to note this report’.  |  |               |
| 2.5. With these amendments the minutes were agreed as an accurate record.  |  |               |
| <b>3. Matters arising not on the agenda elsewhere</b>  |  |               |
| 3.1. 25.10.12 (3) – CB updated the meeting on the tracking of drug spend since the setting up of the Callington Road Pharmacy. Bina Mistry has provided figures for November/December 2012 which identify that over two months |  |               |

## Finance & Planning Committee Minutes

| Item  | Action  |
|---|---|
| <p>this has provided a saving of just over £24k which is in line with Trust expectations. Although it is recognised that this is still early in the process, it is predicted that there could be a saving of £200k over the year.</p> <p>3.2. 23.11.12 – (3) – a paper will come to the February meeting outlining how RiO can be used more easily from a clinical perspective and this will also include information on the strategic options for taking RiO forward. Hazel Watson is to be fully briefed on what is expected from this paper.</p> <p>3.3. (4) – PM noted that the tranche of requests regarding the Finance report have been actioned in the report that went to the December Board. TG asked for further clarity on the quantum for agency costs as opposed to substantive or bank posts.</p> <p>3.4. Regarding the reconciliation of the capital plan against concerns around the Trust estate, PM and SH will have a conversation to better define the 'golden thread' through services and strategic planning.</p> <p>3.5. (4) – <i>Activity Report</i> – Regarding the reported high level of occupancy on two different wards in the Adult Inpatient Service and DC's response to this, TG noted that he had received a number of inputs regarding this and was not assured by this response. It was requested that this action remain open and be carried forward.</p> <p>3.6. <i>FT Application Update</i> – JB reported that, since December the process for review of the monthly oversight reporting process and compliance declaration prior to the Board has changed and that the Executive Team (ET) is now reviewing this. It is expected that ET will comment on the compliance declaration and advise the Board.</p> | <p>HW/PM</p> <p>PM</p> <p>PM/SH</p> <p>DC</p> |
| <p><b>4. Fit for the Future – Medium Term Actions</b></p> <p>4.1. The committee received a paper on the FFtF actions that the committee is required to scrutinise. It was noted that the number of these actions has increased as a result of the integration of the Wiltshire review actions as agreed at the December Board meeting.</p> <p>4.2. These additional actions focus on information governance, data protection and other related improvement activity (such as mobile working and RiO).</p> <p>4.3. All F &amp; P actions are either green or pending as reported in the paper.</p> <p>4.4. It was agreed that JB would amend and clarify the report around the columns relating to <i>Report Recommendations</i> for April and November 2012.</p> <p>4.5. <i>Action 13 – Implement Localism</i> – this is on track in terms of the corporate mechanism. Local Area Director reports will be superseded by local area working.</p> <p>4.6. <i>Action 14 – Implement decentralisation</i> – this is in train and will be reported on later in the meeting in the Operating Plan update. TG noted that there has been no evidence of the review of the back office function as part of</p>  | <p>JB</p>                                     |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 2 of 10

## Finance & Planning Committee Minutes

| Item  | Action       |
|---|--------------|
| <p>the corporate services review. PM noted that he is taking a paper to the January Trust Board which will identify how this is being taken forward. It was agreed that a review of the back office function should be added to this action on the FFtF plan.</p>   | <b>JB</b>    |
| <p>4.7. PM further outlined that the target for the recruitment of Clinical Directors in the new structure is mid February and that of Managing Directors and Heads of Profession/Practice is the end of February/beginning of March. Third or fourth ranked staff are expected to be in place by the end of June. It was agreed that change will be demonstrated when there are 7 localities with their triumvirates in place with appropriate Job Descriptions and schemes of delegation for their roles. This will then close this action and should be reflected on the plan.</p>   | <b>JB</b>    |
| <p>4.8. <i>33 – Adopt a new approach to the Trust Performance Management Strategy</i> – it was requested that the involvement of clinicians in the setting of CRES, CQUIN and Penalties within localities be more explicit and that this is evidenced to have been in place for the budget setting for next year.</p>   | <b>PM/JB</b> |
| <p>4.9. Kevin Connor expressed concern at the setting of CRES in the context of moving to locality working in the near future and asked that there be wider discussions on this as he felt some plans were ambitious. PM noted that there had been a business planning workshop recently and a CRES discussion yesterday which Kevin had been unable to attend. The outcome of these discussions will be discussed at TWMG and within the Senior Management Team of the Operations Directorate. PM agreed to circulate the revised indicative CRES programme following yesterday's meeting. He also noted that there is a meeting with the Operations Directorate in the next week to further discuss this.</p> | <b>PM</b>    |
| <p>4.10. <i>41 – Trust 5 Year Strategy – IBP</i> - this is on track, with the business planning process underpinning this work. The IBP is scheduled for discussion later on this agenda.</p>   |              |
| <p>4.11. <i>42 - Compliance with Data Protection Legislation</i> – complete. It was agreed that all completed actions should be removed from the plan.</p>  | <b>JB</b>    |
| <p>4.12. <i>43 – Third Party Consent – Data Protection</i> – complete.</p>  |              |
| <p>4.13. <i>45 – Information Governance Policies</i> – on the agenda.</p>   |              |
| <p>4.14. <i>46 – All policies</i> – as above.</p>   |              |
| <p>4.15. <i>47 – Mobile Lap Tops</i> – this will be fully implemented in the next year. PM will provide a brief update on this. It was agreed that the action should include the request for a paperless Board.</p>   | <b>PM</b>    |
| <p>4.16. <i>48 – RiO Training and computer literacy</i>. PM noted that this will be part of the update that Hazel Watson will be providing for the next meeting on RiO development. It was requested that PM/HW agree on the Executive responsibility for these area.</p>   | <b>HW/PM</b> |
| <p>4.17. <i>49 – Links to Performance</i> – this is linked to the previous discussion and</p>   |              |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 3 of 10

## Finance & Planning Committee Minutes

| Item   | Action |
|--|--------|
| <p>the work that HW is doing around the Quality Assurance Framework.</p> <p>4.18. With the amendments requested, the committee <b>agreed</b> that it was assured of progress against its actions.</p>  |        |
| <p><b>5. Finance &amp; Performance paper (M8)</b></p> <p><b>Finance Report</b></p> <p>5.1. The committee received a report on the Trust's financial position for the year to 31<sup>st</sup> December 2012.</p> <p>5.2. The committee noted the cumulative position to the end of December and the adverse variance against this position of £193k from plan for the year to date.</p> <p>5.3. The committee also noted that the Trust has achieved a FRR of 4 and continues to forecast a year end surplus of £1000k. Mitigations to cover forecast variances have been identified and are reported in the paper.</p> <p>5.4. The Pay overspend was noted and the issues contributing to this.</p> <p>5.5. The risks associated with the achievement of the Trust savings plan along with the mitigations identified to cover these were also noted.</p> <p>5.6. The Trust CQUIN and Penalty position was considered.</p> <p>5.7. Actions identified to address concerns were highlighted within the report.</p> <p>5.8. PM noted concern over the Trust's recurring run rate, the failure to close off this year's CRES plan, the significant overspend on staff and the need to address this year's level of spending in setting next year's locality budgets. He identified a significant risk around the achievement of CQUIN identifying the best case of a £480k non achievement. He noted that there is a learning point from this around better CQUIN definition for 2013/14.</p> <p>5.9. TG identified a number of questions/concerns he wished to raise regarding this report. These were:</p> <ul style="list-style-type: none"> <li>○ What is driving the £800k overspend in OOA?</li> <li>○ The phraseology around penalties is not helpful – clarity is required around what is in or out.</li> <li>○ A table would better identify CIPS and QIPP targets.</li> <li>○ The financial impact of DTOCs within L3 should be quantified.</li> <li>○ The SHA funding for FT and transitional costs cannot necessarily be relied upon for the bottom line as this may be already allocated.</li> <li>○ Why are penalties increasing towards the end of the year?</li> <li>○ Why are Facilities savings in the Pay budget?</li> <li>○ Table on page 12 – 7.8 – on the M8/9 mitigations – the bottom four lines should be better explained.</li> </ul> |        |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 4 of 10

## Finance & Planning Committee Minutes

| Item  | Action       |
|---|--------------|
| <ul style="list-style-type: none"> <li>○ The unfunded S136 suite in Swindon referred to in the Adult Inpatient forecast needs to be better explained. If this is in the block contract then this is funded. It may be an issue about being funded to the correct level.</li> <li>○ Given their forecasts we have to consider whether Adult Community and S &amp;SS SBUs are viable?</li> <li>○ The level of surplus in Estates is not sensible.</li> </ul>  |              |
| 5.10. It was agreed that PM should consider these issues and a meeting should take place to review these in the week prior to the Board meeting. <i>(note: a meeting was held between PM, PRS, AP and TG on 28/1 and an additional note was tabled by PM to the Board)</i>  | <b>PM/TG</b> |
| 5.11. TG asked that there be a clear view regarding the bottom line by the end of January and that Paul should present this to the January Board.   | <b>PM</b>    |
| 5.12. AP expressed concern that each month there is the same action identified for OOA PICU usage and the managing of the 136 suite in the Adult Inpatient unit in Swindon. PM acknowledged this and that this is a problem of the organisation.  |              |
| 5.13. It was noted that Adult Community should be included in the section on Trust expenditure.   | <b>PM</b>    |
| 5.14. Kevin Connor expressed concern about comments at this meeting on the Adult Community service. He stated that he felt that the adult community staffing budget is not 4.2 million overspent as this relates to an allocated CRES target for 12/13 and historical undelivered business plan objectives from previous financial years. He underlined his belief that the CRES target should not have been given to Adult Community services this year because the redesign envelope had been constructed to take account of CRES payments for this year. |              |
| 5.15. KC stated that the budget for staffing in the SBU is close to breakeven against the model it was asked to deliver against. He noted his concern that team budget construction for next year may be based on flawed staffing assumptions.  |              |
| 5.16. TG acknowledged that the budget for this year was not set correctly and that the budget for next year will take into account the run rate spend of this year. KC noted that he felt that the methodology for the setting of these budgets and the staffing models used was a flawed process.  |              |
| 5.17. TG underlined that this conversation was taking place too early for this committee and the Board. If there is a failure to agree on the budget setting process for 13/14 then there should be discussions in this committee and at the Board for judgement in early March. The Executive review is still ongoing.   |              |
| 5.18. The committee resolved to: <ul style="list-style-type: none"> <li>○ <b>Agree</b> the revised authorised capital envelope and any revisions</li> </ul>   |              |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 5 of 10

## Finance & Planning Committee Minutes

| Item  | Action            |
|---|-------------------|
| <p>to current schemes</p> <ul style="list-style-type: none"> <li>○ <b>Agree</b> to recommend the new capital bid for an addendum to the Finance System Business case of £101k</li> <li>○ <b>Agree</b> to recommend the new capital bid for the PCLS Mobile working deployment of £95k</li> <li>○ <b>Agree</b> to recommend the capital allocation of £24k to ACER/ECH for the outstanding retention</li> <li>○ <b>Agree</b> to recommend the reserves on the Grove Road disposals to be set for auction</li> </ul> <p><b>Activity Report</b></p> <p>5.19. The committee received this report which identified high level issue in Inpatient and Community services.</p> <p>5.20. TG identified the issue around the volume of capacity lost to Delayed Transfers of Care, as also discussed at the Quality and Safety Committee, where there does not appear to be a plan to address this. SH noted that this had been discussed at TWMG who are expecting an update report in February. It is acknowledged that this is a systems issue.</p> <p>5.21. SH agreed to update the committee at a future meeting on cost pressures that the Trust has incurred this year and will incur next year as part of contract negotiations.</p> <p>5.22. The committee resolved to <b>note</b> this report.</p> | <p><b>SH</b></p>  |
| <p><b>6. Trust Operating Plan</b></p> <p><b>TDA Planning Framework – 2013-14</b></p> <p>6.1. This guidance had become available before Christmas as issued by the National Commissioning Board (NCB) and the NHS Trust Development Authority (TDA). This is information to note at this stage.</p> <p>6.2. SH identified that, in order to complete a first cut operating plan to the TDA, the Trust must identify improvement and organisational development priorities.</p> <p>6.3. It was agreed that this should be discussed with the Chief Executive in order to harmonise the Trust's response at key forthcoming meetings.</p> <p>6.4. TG requested that the front sheet templates of reports should identify key issues in future.</p> <p>6.5. The committee resolved to <b>note</b> this report.</p> <p><b>2013/14 Trust Financial Plan</b></p> <p>6.6. The committee received this report which briefed it on the methodology and assumptions made by the Trust in setting the 2013/14 Financial Plan, including the creation of Locality budgets.</p>   | <p><b>All</b></p> |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 6 of 10

## Finance & Planning Committee Minutes

| Item  | Action                            |
|---|-----------------------------------|
| <p>6.7. It was acknowledged that, whilst page 3 outlines key dates in the timetable, there is much debate to be had on the process going forward.</p> <p>6.8. The committee noted <i>Steps 1 – 5</i> in the establishment of new Locality budgets.</p> <p>6.9. Key assumptions as identified in the paper were discussed.</p> <p>6.10. It was agreed that there should be Board discussion on whether the Trust sets a CQUIN implementation reserve.</p> <p>6.11. PM recommended that, whilst the LTFM has a net £2m surplus for 2013/14, this should be reduced to £1m for next year.</p> <p>6.12. It was agreed that there should be a debate on the total staffing cost pressure in terms of incremental progression under Agenda for Change.</p> <p>6.13. It was also agreed that there should be a discussion on where the trust sets its Capital programme and a view needs to be taken on the cash balance to achieve a Financial Risk Rating of 4.</p> <p>6.14. It was also agreed that there should be a robust debate at TWMG around service delivery and quality in terms of the financial plan.</p> <p>6.15. AP noted her concern at what a cultural disjoint between the budget setting process which seems largely driven by external parameters including those required for FT authorisation, and the Trust's commitment to put service users at the centre of everything we do.</p> <p>6.16. TG underlined that if the organisation cannot provide quality services of a value to our commissioners, which enables us to become a Foundation Trust, then it should pull out of these services.</p> <p>6.17. PM sought agreement around a proposed surplus of £1m, setting a capital programme of 5.9m and setting the financial plan with the aim of achieving a FRR of 4.</p> <p>6.18. The committee discussed the options around setting a higher contingency and lower surplus.</p> <p>6.19. TG underlined the importance of buildings being fit for purpose in the delivery of quality services when setting the capital programme.</p> <p>6.20. It was agreed that the financial plan must integrate with the quality impact assessment process and TG confirmed that, through the Quality and Safety Committee, it will be assured that each CRES will have a quality impact assessment (QIP).</p> <p>6.21. The committee resolved to <b>note</b> this report.</p> | <p><b>PM</b></p> <p><b>PM</b></p> |
| <p><b>7. Commissioning and Tendering Update Report</b></p>  |                                   |
| <p>7.1. In PW's absence it was agreed that this report be deferred to the next meeting.</p> <p>7.2. AP expressed concern that the SDAS service had lost 4 tenders in a row</p>  | <p><b>LH</b></p>                  |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 7 of 10

## Finance & Planning Committee Minutes

| Item   | Action       |
|--|--------------|
| and requested that this be specifically addressed at the next meeting and that KD be requested to give a presentation on lessons learned.  | <b>KD</b>    |
| <p><b>8. Tender Decision Framework – update</b></p> <p>8.1. The committee received this report which proposed a Bid Process for the Trust.</p> <p>8.2. In light of time constraints it was agreed that comments on this would be fed back by email.</p> <p>8.3. AP commented that overall the process described in the paper seems a little bureaucratic, it was agreed that this should be a lean process which uses information readily available in the organisation.</p>   | <b>all</b>   |
| <p><b>9. FT Application Update</b></p> <p>9.1. This was deferred to the next meeting.</p> <p><b>IBP Progress</b></p> <p>9.2. The committee received Chapters 3 and 4 as a re-refresh of the previous documents. SH identified that any changes have been highlighted.</p> <p>9.3. AP identified that there is further work to be done in Chapter 3 on Trust Strategy as she felt there was a lack of joined up thinking re the whole story. She also identified further work to be done in Chapter 4 on the market.</p> <p>9.4. Henry McNeill noted that he was happy to discuss over email or in person any queries or suggestions that committee members might have. AP suggested that portfolio analysis is missing from the marketing section. <i>(Note AP has since sent detailed comments on both chapters to HM and SH).</i></p> <p>9.5. JB noted that there is some work to be done on existing strategies as they underpin the IBP and that this should be done through this committee.</p> <p>9.6. TG noted that there is a lack of clarity of where AWP fits into the Healthcare system in terms of specialist Mental Health Trusts.</p> <p>9.7. The committee resolved to <b>note</b> the progress made.</p> | <b>SH/HM</b> |
| <p><b>10. Policies for approval</b></p> <p>10.1. The committee received the following policies for approval:</p> <ul style="list-style-type: none"> <li>○ Overarching Information Governance Policy</li> <li>○ ICT Infrastructure Security Policy</li> <li>○ Digital Investigation Policy</li> <li>○ Information Security Policy</li> <li>○ Freedom of Information and Environmental Information Regulations Policy - <i>key changes to this policy</i></li> </ul>   |              |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 8 of 10

## Finance & Planning Committee Minutes

| Item          |  | Action                  |
|---------------|--|-------------------------|
| 10.2.         | It was noted that these policies lacked one page summaries as per the 'policy on a page' policy. The committee requested they be added prior to being further disseminated.  | <b>PM</b>               |
| 10.3.         | The following were <b>approved</b> with no amendment: <ul style="list-style-type: none"> <li>○ Overarching Information Governance Policy</li> <li>○ ICT Infrastructure Security Policy</li> <li>○ Digital Investigation Policy</li> <li>○ Information Security Policy</li> </ul> |                         |
| 10.4.         | <i>Freedom of Information and Environmental Information Regulations Policy - 7.3 should read subsequently and not sequentially.</i>  | <b>PM/JBenfell</b>      |
| 10.5.         | <i>11.1 – Freedom of Information Vexatious or Repeat Requests</i> TG expressed concern at the level at which an individual can be identified as 'vexatious' and it was agreed that this should be tightened to an Executive Director.  | <b>PM/<br/>JBenfell</b> |
| 10.6.         | This policy was also <b>approved</b> subject to these amendments and the proviso around 'policy on a page'.  |                         |
| <b>11.AOB</b> |  |                         |
| 11.1.         | It was agreed that membership of this committee should be further considered in terms of the new structure. Localities have been asked for their advice on appropriate representation.   |                         |

| <b>Key to Abbreviations Used</b> |  |
|----------------------------------|--|
| <b>Abbreviation</b>              | <b>For</b>   |
| 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   |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 9 of 10

## Finance & Planning Committee Minutes

| <b>Key to Abbreviations Used</b> |                         |
|----------------------------------|-------------------------|
| <b>Abbreviation</b>              | <b>For</b>              |
| SBU                              | Strategic Business Unit |
| NED                              | Non-executive Director  |

Minutes Prepared for the Finance & Planning committee dated 18<sup>th</sup> January 2013

Sponsored by the Chair

Agenda Item:

Serial:

Page 10 of 10