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Minutes of a Meeting of the Finance & Planning Committee

Held on 19th February 2013 at 2.00pm in the Conference Room, Jenner House

These Minutes are presented for Information

Members Present

Tony Gallagher (TG) – Non Executive Director (Trust Chair)
Peter Greensmith (PG) – Non Executive Director – *by telephone*

Paul Miller (PM) – Director of Finance

In attendance

Carol Bowes (CB) – Acting Service Director, Specialised and Secure Services
Emma Adams – Operations General Manager
Jane Britton (JB) – Foundation Trust Programme Director
Denise Claydon (DCI), Interim Area Director, Wiltshire

David Colyer (DC), Interim Local Area Director, North Somerset
Pippa Ross-Smith (PRS) – Deputy Director of Finance
Louise Hussey (LH) – Assistant Company Secretary

| Item | Action |
|---|--------|
| <p>1. Apologies</p> <p>1.1. Alison Paine (AP) – Non Executive Director (Chair), Sue Hall (SH) – Interim Director of Business Development</p> | |
| <p>2. Minutes of the meeting on 18th January 2013 and Matters Arising</p> <p>2.1. It was agreed that <i>Section 3.5</i> should be better worded as: ‘.....TG noted that <i>he had attended a conference for non registered practitioners where comments had been made to him expressing concerns about levels of occupancy.</i> It was requested that this action remain open and be carried forward’.</p> <p>2.2. <i>Section 5.16</i> should read ‘ TG acknowledged that the budget for this year was <i>incomplete ...</i>’</p> <p>2.3. <i>Section 6.17</i> should include as a final sentence: <i>The Committee agreed these recommendations and recommended them to the Trust Board</i>’.</p> <p>Matters Arising not on the agenda elsewhere</p> <p>2.4. 23.11.12 – 4 – In response to the concern around the reconciliation of capital plans against concerns around the Trust estate it was noted that this has been discussed at the Investment Planning Group and that a revised Estates</p> | |

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| <p>3.5. AP made the following comments:</p> <p style="padding-left: 40px;">3.5.1. <i>Action 14</i> – the final paragraph says that the committee <i>decided not to progress...</i>she noted that the committee felt that it was inappropriate as an action as an end in itself and advised that it was therefore no longer a requirement. She asked that this be reworded.</p> <p style="padding-left: 40px;">3.5.2. <i>Action 33</i> – she asked for additional assurance around clinical engagement following the meeting on 14th February.</p> <p style="padding-left: 40px;">3.5.3. <i>Action 46</i> – AP questioned why this says <i>F & P policy on a page delayed</i> when she understood that this is not the case.</p> <p>3.6. The committee resolved to assure the Trust Board on its medium term actions.</p> | <p style="text-align: center;">JB</p> <p style="text-align: center;">JB</p> <p style="text-align: center;">JB</p> |
| <p>4. Finance and Performance paper (M10)</p> <ul style="list-style-type: none"> • Finance Report <p>4.1. The committee received the Finance Report which presented the Trust Financial position for the year to 31st January 2013.</p> <p>4.2. The committee noted the cumulative position to the end of January and that the Trust has achieved a FRR of 4.</p> <p>4.3. It was also noted that the Trust is continuing to forecast a year end surplus of £1,000k and that, in achieving this, mitigations have been identified to cover forecast variances which are identified within the report.</p> <p>4.4. The pay overspend was noted and the contributory factors related to non delivery of savings plans and the use of agency during the implementation of service redesign and rationalisation.</p> <p>4.5. The risk of £2,500k identified against the Cost Improvement Programme (CIP) and mitigations identified to cover this and other slippage was considered. The forecast position of the Trust as identified within the report was discussed and PM updated the meeting on additional non-recurrent funding.</p> <p>4.6. DCI noted that commissioners in Wiltshire may have identified winter pressures monies as coming to them and that the Trust should have a conversation to establish the accurate position in relation to this.</p> <p>4.7. The Trust's penalty position was also noted.</p> <p>4.8. TG asked for assurance that the restructure process is not being delayed and that any opportunity for acceleration will be taken. PM assured that the review of back office and corporate functions is on track.</p> <p>4.9. The committee noted the slight slippage in the Capital Programme and that there therefore may be opportunity to invest in small capital projects at the end of this financial year.</p> <p>4.10. AP asked whether the £25k proposed to be spent on the Family and</p> | <p style="text-align: center;">PM</p> <p style="text-align: center;">PM</p> |

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| <p>Staff Room at Imber Ward would be a suitable project for Charitable Funds and asked for the pros and cons of funding in this way.</p> <p>4.11. It was noted that there will be a favourable year end position regarding the cash position.</p> <p>4.12. TG requested that the Board be informed of the financial impact of the Lansdowne Unit closure at year end.</p> <p>4.13. TG raised the issue of the continuing impact of DTOCs in the L3 SBU as referred to in paragraph 4.7 of the report. IT noted that this had been raised at the recent L3 Quality Review in terms of the implications of inadequate funding from commissioners. DCI underlined that the pressure is on functional beds. It was agreed that the significant issue is around the impact that this has on service users.</p> <p>4.14. AP noted that figures on Appendix 5.1 are duplicated in 2.1 and questioned whether Appendix 5.1 is still required.</p> <p>4.15. The committee resolved to approve:</p> <ul style="list-style-type: none"> ▪ the revised authorised capital envelope and any revisions to current schemes ▪ the business case for the Provision of Family & Staff room on Imber Ward, Green lane (£25k 2012/13) ▪ the business case for the Team base for Specialist Prescribing Services, SDAS Bournemouth (£25k 2012/13) <p>• Activity Report</p> <p>4.16. The committee received this report which presented a high level overview of the Trust's activity on a month by month basis and highlighted issues in both Inpatient and Community services.</p> <p>4.17. PG queried whether there are lessons to be learned from the 50% of referrals to the Intensive service which are assessed for no further intervention. EA stressed that this is an issue of a wider system response as the intensive service picks up where GPs are not providing a good service and where there are voluntary sector gaps. She underlined that the new locality structure will give the Trust a better opportunity to address these gaps.</p> <p>4.18. It was noted that AP had questioned, in her absence, whether this report should come to this committee or go to the Quality and Safety Committee. It was considered whether, when the Trust moves to PbR, there should be a PbR Activity report come to F & P in conjunction with an efficiency and benchmarking report and that quality issues should be considered by Q & S. IT suggested that a succinct report around value and quality would be more useful. It was asked that TWMG consider this issue.</p> <p>4.19. AP queried the intention of the Monitor DTOC target.</p> <p>4.20. The committee resolved to note this report.</p> | <p>PM</p> <p>PM</p> <p>PM</p> |

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| <p>5. Update on RiO and strategic options for RiO going forward</p> <p>5.1. The committee received a report which outlined issues related to the CCN4 contract and actions taken to mitigate transition to the new Electronic Patient Record system (EPR) service contracts.</p> <p>5.2. It was noted that this is a position paper which outlines the benefits of different options going forward. It was underlined that AWP is proactively considering and enabling options to manage post CCN4 transition.</p> <p>5.3. AP noted that this paper does not explain the relationship between EPR and RiO she asked for greater clarity on the proposed way forward.</p> <p>5.4. The Trust has until the end of October 2013 to make a decision.</p> <p>5.5. The committee resolved to note this report.</p> | PM |
| <p>6. Draft 2013/14 Financial Plan</p> <p>6.1. The committee received a report which outlined the key financial issues facing the Trust in agreeing and approving the 2013/14 financial plan content of the 2013/14 Operating (Annual) Plan.</p> <p>6.2. It was noted that the achievement of the 2012/13 financial plan ensures that the Trust starts 2013/14 in good financial health and that the key legacy issues are the likely £2.7m unachieved CIP plans in year and the Bristol tender going forward.</p> <p>6.3. The potential changes relating to the draft Monitor 'Risk Assessment Framework' for 13/14 and the possible impact on next year's Financial Plan and Long Term Financial Model were also noted .</p> <p>6.4. Full clinical engagement in the planning process to date and the further strengthening of this through the move to Locality management arrangements was underlined.</p> <p>6.5. It was noted that the 2013/14 Cost Improvement Programme (CIP) of £9.3m will be risk assessed for quality (QIA) through an agreed process involving the Quality and Safety Committee and the Nurse and Medical Directors.</p> <p>6.6. TG identified an issue around ownership of these plans given the ongoing transition process to localities. He asked that the Board receive endorsement of these from new locality managers.</p> <p>6.7. IT reiterated that this is not a finance but a management issue and that once budgets are set it will be for managers to identify the services to be delivered taking into account quality and access.</p> <p>6.8. TG stressed that there must be collective responsibility and accountability and that at an appropriate stage this is endorsed by ET/TWMMG and the Board. IT noted that this approach is understood and endorsed by those who have already been appointed to locality leadership teams.</p> <p>6.9. IT also noted that the budgets set at the end of March will be net of savings and will be open to further endorsement from leadership teams from that</p> | |

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| <p>period to the end of April.</p> <p>6.10. TG underlined that he will look for guidance on the proposed surplus for 2013/14 . He also stressed that he will require the estate strategy to deliver the desired quality of care and that if this requires funding beyond the proposed capital envelope then the organisation will have to explain where the additional funding will come from.</p> <p>6.11. It was noted that the 2013/14 Financial Plan will be on the agenda of the March Board for approval.</p> <p>6.12. The committee resolved to note this report.</p> | |
| <p>7. Business Development Strategy</p> <p>7.1. PM presented the Business Development Strategy on behalf of Sue Hall in her absence.</p> <p>7.2. It was agreed that any comments on this be passed to SH in order for this to return to the committee at the March meeting for further discussion and then to the March Board.</p> <p>7.3. TG questioned the stated intention that AWP be a leading ‘national’ provider.</p> <p>7.4. JB reminded the committee that auditors will expect all strategies to have an implementation plan including milestones and deliverables.</p> <p>7.5. The committee resolved to note this report.</p> | <p>SH</p> <p>SH</p> |
| <p>8. Commissioning and Tendering Activities Update Report</p> <p>8.1. The committee received this report which summarised gains and losses, existing contracts out to tender and new business opportunities.</p> <p>8.2. The committee resolved to note this report.</p> | |
| <p>9. FT Application Update</p> <p>9.1. The committee received a verbal update from JB.</p> <p>9.2. She noted that progress with the IBP is proceeding as planned and that there is further work ongoing on strategies to underpin the IBP. The Business Development Strategy is slightly delayed but will go the Trust Board by no later than the April meeting.</p> <p>9.3. TG suggested that a sub committee of this committee should meet to explore the downside risks within the Long Term Financial Model (LTFM). PM noted that this is on the agenda to be discussed at the Board Seminar tomorrow. He agreed that an offline process to agree scenarios would be helpful and that this should include input from Finance, Business Unit representatives and the Chair of Audit and Risk.</p> <p>9.4. JB updated on the HDD process and that the Trust is waiting for clarity around timing from the NTDA. TG underlined that Finance need to understand when this is likely to take place as they must be sufficiently resourced to undertake</p> | <p>PM</p> |

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| | this. | |
| 10. Information Risk Policy | | |
| 10.1. | The committee received this policy for approval and noted that it has been updated in line with advice from experts in this area. | |
| 10.2. | The committee resolved to approve this policy. | |
| 11. Pharmacy Business Case | | |
| 11.1. | The committee received this business case for its approval. | |
| 11.2. | The committee noted the benefits of the first phase of the in-house pharmacy project but that this only covers the northern patch of the Trust. It recognised the greater financial and operational benefits of rolling this out to the rest of the organisation as described in this business case. | |
| 11.3. | TG asked about the plan to lease a building in Calne for this purpose and suggested co-locating with another NHS organisation. | |
| 11.4. | TG also questioned the level of due diligence around the supply chain in terms of the Wilshire geography. PM noted that there had been a great deal of discussion at the last project meeting around transport and that this had included clinical input. He stressed that the Calne location is not the cheapest option but that it scores better on other considerations and is the preferred clinical option. | |
| 11.5. | DCo noted that the Investment Planning Group had had a lengthy discussion on the balance between financial savings and the clinical benefits of this location. | |
| 11.6. | In response to a question from PG around the input of logistic expertise into this decision it was noted that the Trust Estates and Facilities Department have a great deal of experience with transport across the Trust. PG noted the high level of criminal activity in this area and it was underlined that Estates and Facilities has been fully involved in the appraisal of each of the sites considered and they understand that security is paramount. | |
| 11.7. | TG requested that there be more exact information on the insurance and risk implication of drugs movement within the business case. | SH SH |
| 11.8. | JB noted that it would also be useful to specify when the post benefits realisation will take place. | |
| 11.9. | The committee agreed to approve this business case, subject to these amendments and that this should go forward for Board ratification. | |
| 12. AOB | | |
| 12.1. | There was none. | |

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| Key to Abbreviations Used | |
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| Abbreviation | For |
| Chief Exec | Chief Executive |
| DoF | Executive Director of Finance & Commerce, and Deputy Chief Executive |
| Exec Dir People | Executive Director for People |
| Exec Dir M&S | Executive Medical Director and Director of Strategy and Business |
| Exec Dir NCAS | Executive Director of Nursing, Compliance, Assurance & Standards |
| Exec Dir Ops | Executive Director of Operations |
| Dir FTP | Foundation Trust Programme Director |
| CoSec | Company Secretary |
| ACoSec | Assistant to the Company Secretary |
| EMT | Executive Management Team |
| SBU | Strategic Business Unit |
| NED | Non-executive Director |

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