

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

Held on 18<sup>th</sup> March at 09.00am in the Chief Executive's Office

These Minutes are presented for Information

**Members Present**

Alison Paine (AP) – Non Executive Director (Chair) Tony Gallagher (TG) – Non Executive Director	Paul Miller (PM) – Director of Finance Sue Hall (SH) – Interim Director of Business Development
Carol Bowes (CB) – Clinical Director, Specialised and Secure Services Emma Adams – Operations General Manager Tim Williams (TW) – Clinical Director, SDAS	Pippa Ross-Smith (PRS) – Deputy Director of Finance Peter Wilson (PW) – Head of Business Development and Bids Louise Hussey (LH) – Assistant Company Secretary

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<b>1. Apologies</b>	1.1. Peter Greensmith (PG) – Non Executive Director, Jane Britton (JB) – Foundation Trust Programme Director, Kevin Connor, Kristin Dominy (Operations Director <i>designate</i> ), David Colyer (DC).	
<b>2. Minutes of the meeting on 19<sup>th</sup> February 2013 and Matters Arising</b>	2.1. 3.5.1 This should say '..... she noted that that the committee felt that it was inappropriate as an end in itself and had then been advised that it was not longer a requirement ...'.  2.2. With this amendment the minutes were agreed as an accurate record.  <b>Matters Arising not on the agenda elsewhere</b>  2.3. 18.01.13 - 04 – It was confirmed that there has been greater clinical involvement and engagement this year in the setting of CRES, CQUIN and Penalties. This has been reported through TWMG and the Cost Improvement Plans (CIPs) have been through this forum and the Quality and Safety Committee.  2.4. TG noted that the process requested by the Quality and Safety Committee	

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	<p>had been that checks and balances are in place to ensure formal sign off by Managing Directors including clinical approval and also sign off of associated Quality Impact Assessments (QIAs).</p> <p>2.5. 19.02.13 – 02 SH confirmed that the Trust is looking to set up a partnership database going forward.</p> <p>2.6. 03 – <i>FFtF Medium Term Actions</i> – it was confirmed that going forward FFtF will be mainstreamed within the organisation as part of normal business. Sue Sutherland’s forthcoming report is expected to validate progress made against this action plan.</p> <p>2.7. 04 – <i>Activity Report</i> – It was noted that there is a meeting planned with PM, SH and Hazel Watson to consider whether this report should come to this committee or the Quality and Safety Committee in future. TG requested that the Executive team come to a decision on where performance sits within the organisation recognising that there implications for both activity and finance in terms of this core information.</p> <p>2.8. 11 – <i>Pharmacy Business Case</i> – It was noted that the insurance and risk implications related to the transport of drugs will be addressed as the transport element of the business case is implemented.</p>	PM/SH
<b>3. Fit for the Future – Medium Term Actions</b>		
	<p><b>Closure Report</b></p> <p>3.1. The committee formally received the final plan and noted the achievement in getting it to this position. Any issues going forward will be reported as normal business.</p> <p><b>PMO Update</b></p> <p>3.2. The committee received a report on progress against the establishment of a Programme Management Office (PMO).</p> <p>3.3. It was agreed that the proposed head of this function should co-ordinate the existing project officers within the organisation who will be expected to work to an established standard and specified approach. It was agreed that that there will be significant schemes that will require co-ordination over the coming year, including the FT journey.</p> <p>3.4. AP noted that a weakness within the service redesign process had been about managing the interdependencies of projects and that the proposed PMO will facilitate the establishing of project frameworks with a fixed outcome and proper control process.</p> <p>3.5. It was noted that this had been discussed at length by the Executive team who recognise the value of a PMO.</p> <p>3.6. TG welcomed this paper but cautioned against setting achievable targets in establishing this function and noted that a deadline of 31 March 2013 was over ambitious.</p>	

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<p><b>4. Business Development Strategy</b></p> <p>4.1. The committee received the Business Development Strategy which set out the Trust's overarching aims and direction of travel to inform Locality business plans and local development strategies.</p> <p>4.2. AP welcomed this strategy and noted that it provided greater clarity and was more authoritative than its previous iteration.</p> <p>4.3. She questioned the suggestion of a directive relationship between the Business Development Directorate and Localities and suggested that the Executive Team consider how this is taken forward. SH noted that some Localities will require greater support than others in developing tools and frameworks for their business plans.</p> <p>4.4. CB noted that it had been helpful to have guidance particularly in terms of market analysis but suggested that initial ideas should come from clinicians and that support may then be required in taking these ideas forward.</p> <p>4.5. AP noted that there should be some reference to the oversight and scrutiny of this committee in tracking developments in the business planning process. <b>SH</b></p> <p>4.6. SH noted that she had responded to PG's concerns around service user and care engagement in this process and had confirmed that there will be appropriate stakeholder engagement.</p> <p>4.7. TG noted that the Quality and Safety Committee had requested that post investment audit should be referenced within the strategy. <b>SH</b></p> <p>4.8. The committee resolved to <b>approve</b> this strategy, subject to these amendments, and agreed that it should now go to the Board and then incorporated into the IBP.</p>	
<p><b>5. Commissioning and Tendering Update</b></p> <p><b>SDAS</b></p> <p>5.1. TW responded to concerns that had been expressed about the loss or failure to win tenders within SDAS.</p> <p>5.2. TG underlined that the concern had been around an appearance of looking to win tenders outside the Trust's home territory whilst losing ground closer to home, particularly in Wiltshire.</p> <p>5.3. TW acknowledged that SDAS had learned much from the recent bids it had been involved in. He noted that the stated cost-based approach of the Wiltshire commissioner may have indicated that the Trust should not have entered into this tendering process. It was agreed that the Trust may have been better positioned to have a debate on the provision of quality services with commissioners had this been the case.</p> <p>5.4. TW noted that SDAS has learned that a good relationship with commissioners is key to winning or retaining business, as demonstrated by the winning of the Bournemouth contract.</p>	

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<p>5.5. It was agreed that Trust should position itself as premium provider of high quality services. It was also agreed that there is value in being recognised as a NHS organisation with the clinical governance and assurance that goes with this.</p> <p>5.6. It was agreed that the Trust should be more aware of the consequences beyond the winning of a contract in terms of pharmacy services, estates and IT. SH confirmed that the organisation has learned from the Bournemouth experience and that a process is in place going forward.</p> <p>5.7. TW requested that these services should be about enabling the winning of new contracts and concerns around their provision not distract from the development of new business.</p> <p><b>Commissioning and Tendering Update Report</b></p> <p>5.8. The committee received this report which provided it with information on commissioning and tendering activities within the organisation.</p> <p>5.9. The committee was updated on the Bristol tender process. It was noted the Bristol locality is in the process of setting up a Project Board to manage the Bristol tender submission.</p> <p>5.10. The Trust is currently awaiting the outcome of the IAPT services bid in B&amp;NES.</p> <p>5.11. TG asked where IAPT sits in the new structure in the Specialised and Secure Delivery Unit with close links to Localities. It was acknowledged that the Trust is a national market leader in the delivery of this service and there are likely to be problems around capacity in rolling this out more widely. SH confirmed that the Trust is looking at supporting a management structure in relation to this.</p> <p>5.12. The committee noted the tendering of the community drug services in Bristol, as currently provided by SDAS. The committee considered the partnership options open to the Trust and agreed that it would be helpful to have a partnership strategy which outlines high level principals to inform these working relationships going forward.</p> <p>5.13. TG underlined that individual bids must not lose sight of the Trust's broader perspective.</p> <p>5.14. TW urged that the Trust be confident in itself as the lead provider in particular areas and use this position to shape the quality agenda with commissioners.</p> <p>5.15. PW agreed to follow up AP's query about Eastwood Park and a question about whether this service was out for tender.</p>	<b>PW</b>
<p><b>6. 2013/14 Operating (Annual) Plan</b></p> <p><b>Update on Vision and Values</b></p> <p>6.1. It was noted that these are currently out for consultation. SH updated on the</p>	

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<p>initial feedback on the themes around <i>Consolidate, Integrate and Expand</i> and the proposed strap line <i>We Care</i>. It was noted that 6 meetings have been planned in localities where these are on the agenda for consideration.</p> <p><b>Update on 2013/14 Financial Plan</b></p> <p>6.2. PM noted that the Annual Operating Plan will go the Trust Board in March and that this financial plan is a subset of this.</p> <p>6.3. It was noted that the achievement of the 2012/13 financial plan will ensure that the Trust starts 2013/14 in reasonable financial health with key legacy issues around CIP schemes that were non recurrently achieved in year, the forecast pay overspend, the Bristol tender for mental health services and consideration of the strategic future of the Learning Disability service.</p> <p>6.4. PM noted that the Trust will achieve its 2012/13 control total after addressing and/or mitigating the financial challenges identified during the year.</p> <p>6.5. TG underlined that the forecast pay overspend of £6.2m indicates that, whilst achieving the control total, there are underlying issues of concern. AP also noted that the non achievement of CIP plans are of similar concern.</p> <p>6.6. PM confirmed that in response to this position, 2013/14 budgets have been re-set and related to current run rates on pay.</p> <p>6.7. TG asked that the progressive steps taken to address the pay gap be identified within the plan in order to demonstrate that steps taken have not put the quality of services at risk.</p> <p>6.8. PM agreed to amend the Executive Summary to reflect this.</p> <p>6.9. The committee noted the draft 2013/14 Income and Expenditure Plan at page 8 of the report. It was noted that the annual accounts surplus has been revised down to £600k from £1m and that a specific reserve of £400k has been created for quality improvements.</p> <p>6.10. It was noted that there is currently a gap of around £1m in the CIP programme.</p> <p>6.11. PM confirmed that budgets have been subject to a validation process and that there will now be a re-validation exercise to address possible over-budgeting as circa £5m has been validated back in and not found.</p> <p>6.12. TG underlined that he would not be happy to take the financial plan to the Board until the he is assured that the gap has been closed.</p> <p>6.13. AP asked about assumptions about anticipated new income in relation to tenders and new bids and it was confirmed that the Trust takes a prudent approach to income related to the signed contract at the beginning of the year whilst other organisations make income assumptions including potential new business.</p> <p>6.14. TG noted that it is open to the Executive Team to make recommendations regarding income assumptions based on its risk appetite.</p>	PM

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<p>6.15. It was confirmed that the current contractual plan is to align all new 2013/14 CQUIN schemes, contract penalties and KPIs to the development journey of the Trust as discussed at the recent Quality Summit. CQUIN schemes have been developed in conjunction with Operational and clinical staff and it was acknowledged that these are more sensible than previously.</p> <p>6.16. AP noted her concern that cost pressures are identified as linked to service redesign and community services when she had believed that service redesign as a project had been concluded. It was confirmed that the budget for next year will take this into account and that the pay envelope for Adult Community services is felt to be robust going forward following the validation exercise.</p> <p>6.17. It was agreed that service redesign as a term should now be dropped.</p> <p>6.18. The committee reviewed the 2013/14 and 14/15 CIP schemes as appended to the report.</p> <p>6.19. It was noted that <i>Item 4 – Reduce Agency Spend</i> is centred on the replacement of agency staff by permanent or bank staff. EA acknowledged that further work is required in some localities to address staffing and only resorting to the deployment of bank staff in periods of real need. It was agreed that a number of issues will need to be worked through to ensure staff other than agency staff are available especially in periods of short term absence. Work to reduce sickness absence levels will contribute to managing this.</p> <p>6.20. <i>Item 5 – Mobile Working</i> the resultant changes in practice are acknowledged to be a challenge but the benefits are recognised to be significant.</p> <p>6.21. <i>Item 6 – Benchmarking adult community services</i> has been withdrawn and will be picked up in the work undertaken by PWC which is identified at <i>Item 11</i>.</p> <p>6.22. <i>Item 7 – Improved sickness and absence management</i> – it was agreed that work is required around rostering and sickness absence to avoid increased stress levels through the reduction in agency staff, although it was also acknowledged that the use of agency can contribute to stress in terms of concerns around safety and other issues.</p> <p>6.23. <i>Item 8 – Charterhouse EFM savings</i> – it was agreed that a statement on the future of this unit should be considered with commissioners.</p> <p>6.24. <i>Item 11 – Trust staff benchmarking (PWC) review</i> – it is recognised that a further push on corporate and HQ services is required.</p> <p>6.25. <i>Item 25 – local corporate and operational general efficiencies</i> – TG requested that the Executive Team should present its recommendation to the Board regarding this.</p> <p>6.26. TG acknowledged that, whilst this plan is not in a position to be recommended to the Board, it is recognised that the significant structural</p>	<p><b>PM</b></p>

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<p>changes within the organisation have contributed to this position.</p> <p>6.27. It was agreed that the financial plan should be noted as being in a holding position for the March Board and the meeting with the NHS Trust Development Authority (TDA) on 5<sup>th</sup> April but would be expected to be in a position to be closed off by no later than the April Board meeting.</p> <p>6.28. PM confirmed that there has been a considerable level of engagement in the development of the capital programme and the detail of this will be outlined at the next meeting of this committee.</p>	<b>PM</b>
<p><b>7. Finance and Performance Paper (M11)</b></p> <p>7.1. It was agreed that the Trust's financial and performance position at M11 had been covered in the previous discussion.</p> <p>7.2. PM and TG will meet offline to further discuss the current position.</p>	<b>PM/TG</b>
<p><b>8. FT Application Update</b></p> <p>8.1. It was noted that at the second meeting of the FT Steering Group it had agreed that the Medical and Nursing Directors should become members of the group.</p>	
<p><b>9. Policies for Approval</b></p> <p>9.1. The Records Management Policy was formally <b>approved</b>.</p>	
<p><b>10. AOB</b></p> <p>10.1. It was requested that the Executive Team and Trustwide Management Group make a recommendation on the locality and specialised services representatives on this committee.</p>	<b>PM/ER</b>

<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
Int Dir BD	Interim Director of Business Development
Exec Dir NCAS	Executive Director of Nursing, Compliance, Assurance & Standards

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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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