

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

Held on 17 June at 2.30pm in Seminar Room 3

These Minutes are presented for Information

**Members Present**

Lee O'Bryan (LOB) – Non Executive Director (Chair)  
 Tony Gallagher (TG) – Trust Chair  
 Paul Miller (PM) – Director of Finance  
 Sue Hall (SH) – Interim Director of Business Development

Kristin Dominy (KD) – Operations Director  
 Denise Claydon (DCI) - Managing Director, Wiltshire  
 Steve Batson (SB) – Interim Managing Director, Specialised and Secure Services (for Carol Bowes)  
 Liz Richards (LR) – Managing Director, Banes  
 Pippa Ross-Smith (PRS) – Deputy Director of Finance  
 Suzanne Howell (SH) – Managing Director, North Somerset  
 Jenny MacDonald (JD) – Managing Director, South Glos.  
 Karen King (KK) – Account Manager, Finance and Commerce (part)  
 Gordon Folkard – PCT and Senior Costing Accountant, Finance and Commerce (part)  
 Paddy McKee – Associate Director of Practice and Quality Improvement, Finance and Commerce (part)

Louise House (LH) – PA to Deputy Director of Finance (*minute taker*)

Item	Action
<p><b>1. Apologies</b></p> <p>An apology for absence was received from Peter Greensmith.</p>	

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Item	Action
<p><b>2. Minutes of the meeting on 20<sup>th</sup> May and matters arising</b></p> <p>2.1. The minutes of the meeting held on 20<sup>th</sup> May were agreed as an accurate record, subject to an amendment at 5.1 Update on IBP/FT to say “Version 11.1 ready by end of July”, not June.</p> <p><b>Matters Arising not on the agenda elsewhere</b></p> <p>2.2. Page 1, 18.3.13 (Reporting) – PM, SH and KD to look at metrics and activity driving finance and bring back performance report.</p> <p>2.3. Page 1, 23.4.13 (QIS), can be removed from the Log.</p> <p>2.4. Page 1, 23.4.13, (Temporary Staffing Costs), can be removed from the Log as this went to the Board.</p> <p>2.5. Page 2, 20.5.13, (£2m agency spend saving), this is going to the Operations Directorate meeting this week.</p> <p>2.6. Page 3, (Treasury Management Policy), update will be coming to the future meeting.</p>	<p>PM, SH, KD</p> <p>KD</p> <p>PM</p>
<p><b>3. Change of F&amp;P Chair and Agenda format</b></p> <p>3.1. LOB reported that he is now chairing this Committee.</p> <p>3.2. LOB explained to the Committee the three core things which he believes the Agenda should reflect:-</p> <ul style="list-style-type: none"> <li>➤ Understanding underlying performance and getting the organisation into shape for next year;</li> <li>➤ CIPs – how are we doing and what is our programme? Are we performing against what we said we would do?</li> <li>➤ Losses and gains and understanding good/bad gains and ensuring agreed strategic filters to enable good decisions.</li> </ul> <p>3.3. LOB added a fourth strand regarding IQ performance and stated that the Agenda needs to reflect this so stated that he would be taking the items in a different order to that on the Agenda.</p>	
<p><b>4. Finance Reporting</b></p> <p><b>Month 2 Report</b></p> <p>4.1. PM presented the report to the Committee for discussion and explained it showed a position of £10k behind plan at Month 2, an actual surplus of £85k compared with a planned surplus of £95k. The Trust has achieved a FRR of 4 for May 2013. Pay is under spending plan, even though temporary staffing is high, averaging £968k a month for the first 2 months, of which £436k is agency.</p>	

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<p>4.2. Non pay is over spending, in particular out of area (OOA) placements, though some of this OOA expenditure is offset by extra income as per the contract.</p> <p>4.3. The CIP programme is £227k behind plan as at month 2 and a programme of work is already in hand to ensure the 2013/14 CIP's are delivered.</p> <p>4.4. In conclusion there is a need to get a grip on out of area placements, CIPS, and making sure recruit to vacancies we have and managing agency spend.</p> <p>4.5. TG queried how we were tracking against our agency objective, and KD assured that this is being looked into and some issues have been identified which are being tackled i.e. equalisation of staffing across localities. An internal validation programme is also being worked through with teams and managers.</p> <p>4.6. LOB requested further details on the 2013/14 CIP performance at the next meeting and added that it would be beneficial to have a discussion around CIPS for 2014/15 in September/October to ensure it is part of the discussions in quarter 4 February/March for 2014/15 plans.</p> <p>4.7. SB added that on-call structures are being reviewed in order to get these back online with localities. TD and SH agreed that there is not an apparent reduction in agency and LOB concluded that there needs to be a flight path and this will be looked at the next meeting. TD added that absenteeism and staff movement are key metrics in the CIPS. A discussion took place around current savings against targets and it was agreed that moving to localities has been a very positive move forward for operations in terms of efficiency. Learning and development requirements also need to be considered and it was agreed that a discussion around systematics needs to take place at the next meeting.</p> <p>4.8. The guidance on out of area spend needs to be re-issued and ensuring staff know what the process is.</p> <p>4.9. TD requested seeing a contrast between efm and corporate in the Schedule at 4.8, page 7. LOB stated that the dashboard appendices were extremely helpful and will be really useful during the year.</p> <p>4.10. The clarity around the wording regarding Charter House savings needs to be reviewed and PM agreed to look at this.</p> <p><b>Income reconciliation 12/13 – 13/14</b></p> <p>4.11. PM summarised the paper and the committee were assured as to the change between the years</p>	<p style="text-align: right;">KD</p> <p style="text-align: right;">SH</p> <p style="text-align: right;">KD</p> <p style="text-align: right;">PM</p> <p style="text-align: right;">PM</p>
<p><b>5. Cost Improvement Plans</b></p> <p><b>13/14 CIPs analysed by locality</b></p> <p>5.1 SH reported that the print set up for the CIPS table formatting would be corrected for the next meeting.</p>	<p style="text-align: right;">SH</p>

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<p>5.2 KD stated that there have been recent conversations with MDs to ensure they understand their share of the programme and the key thing that has come out of discussions is clearer understanding and ownership.</p> <p><b>Corporate back office savings</b></p> <p>5.3 Hard cash savings of £613k and 10.35 wte have been made and also £840k of resources have been transferred from Corporate functions to Operations, representing a reallocation from back office to front line services. On top of these savings we are targeting another £1.5 million, supported by PWC work. The back office is constantly being reviewed to ensure the money is going to front line services.</p> <p>5.4 TD stated that it is a good paper as it contextualises what is going on and suggested seeing the £840k explained as a percentage saving in the budget.</p>		
<p><b>6. Commercial (Tendering) Report</b></p> <p>6.1. SH reported that a formal advert for the Bristol tender was advertised on the 5<sup>th</sup> June and AWP have expressed an interest. The next stage will be the PQQ and a Project Board has already been established.</p> <p>6.2. It was agreed that this needs to come again to the next meeting with requirements of this Committee in terms of decisions and the timetable.</p> <p>6.3. There was positive feedback from Bournemouth to Somerset that they are really happy with the SDAS service.</p> <p>6.4. The Commercial (Tendering) Report will be going to SMT on Wednesday for approval.</p> <p>6.5. The Lessons learnt on Appendix 1 were noted for future tenders.</p>		SH/KK
<p><b>7. IQ Report on domains to be scrutinised by Committee</b></p> <p>7.1. The report provided an update on two of the high level indicators within the Trust's Quality Information System and the report was noted.</p>		
<p><b>8. Update on IBP/FT</b></p> <p>8.1. The IBP was reviewed last week and is being circulated with a covering letter to CCGs, the Board, CDs, and MDs in the imminent future.</p>		SH
<p><b>9. PbR presentation</b></p> <p>9.1. GF and PMcK attended and presented for this item only.</p> <p>9.2. GF and PMcK circulated a Pbr analysis of AWP year end position. It looks at</p>		

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<p>how the Trust is going to plan costing activity based on care clusters, supporting contract. For 2012/13 the key things being looked at were cluster days and closed episodes and transferring this into the financial model.</p> <p>9.3. There are problems around Rio in terms of obtaining the data and PM will be discussing with Hazel Watson the future development of RiO to address this issue.</p> <p>9.4. The activity in the schedules will be brought to this Committee as a performance report.</p> <p>9.5. There are operational issues which KD will be focussing on.</p>	<p>PM</p> <p>SH</p> <p>KD</p>
<p><b>10. Any other business</b></p> <p>10.1. SH reported that she will be interviewing for a Programme Director for the Project Management Office (PMO) next week.</p>	

<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 Nursing	Executive Director of Nursing
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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