

Minutes of a Meeting of the AWP NHS Trust Finance & Planning Committee

Held on 21st March 2014 at 10.00am at Jenner House, Chippenham

These Minutes are presented for **Approval**

Members Present

Lee O'Bryan – Non-Executive Director
(Chair)
Anthony Gallagher – Trust Chair

Sue Hall – Director of Resources
Kris Dominy – Director of Operations

Staff in attendance

Ruth Brunt – Non-Executive Director

Pippa Ross-Smith – Deputy Director of
Resources
Alexander Lauder-Bliss – Governance
Support Officer (minute-taker)

FP/15/1- Apologies

- 1.1. Apologies were received from John Ridler, Nic Robinson, Fiona Bell, Kerry Geoghegan, and Gordon Folkard.

FP/15/2 – Minutes of the meeting on 21st February 2014

- 2.1. The minutes of the previous meeting were **approved**.

FP/15/3 – Matters arising

- 3.1. The matters arising log was reviewed and **noted** with actions marked complete as appropriate.

FP/15/4 – Financial Performance

- 4.0.1 The Committee received and considered three reports of the Director of Resources:
- Month 11 Report
 - CIP Update 13/14
 - Reference Cost Update
- 4.1. Month 11 Report
- 4.1.1. The Committee **noted** the Month 11 financial position, considering at length, receiving sufficient assurance that plans in place to ensure that the end of year forecast was achieved.
- 4.1.2. It was **noted** that in the event that the outstanding amount owed by Wiltshire Council remained outstanding at year end,

discussion with External Audit had taken place and it was appropriate for the amount to be written off against the bad debt provision for 14/15. This would represent a financial risk in 14/15, if the full amount remained owing.

- 4.1.3. The Committee considered the externally reported TDA Winter Report and the 11k variance against budget at M10 which had been reported. It was acknowledged that this was as a result of an error in reporting to the TDA via their Financial Information Management System (FiMS) return. An impairment had been incorrectly recorded and this had caused a variance of £11,000 to be reported. This was an error, and had been corrected via the M11 return.
- 4.1.4. There had also been discussion with the TDA when the issue was identified (it missed the TDA validation process because of the immaterial amount) and rectified but it was not possible to resubmit the return.
- 4.1.5. The Committee received assurance that the validation mechanisms within the Agresso financial management system were sufficient, and that the one area of the ledger where validation was weak related to impairments. Therefore, staff knew to always re-check this element from M11 onwards. In addition, the Director of Resources was personally checking each future return against Board reports and approving the FiMs return before sending to TDA.
- 4.1.6. A discussion took place relating the robustness of the mechanism for escalation between the TDA and the Trust in relation to being sighted on the impact of errors such as this and their onward impact on the TDA's risk identification methodology.
- 4.1.7. IT was recognised that the escalation of the Trust's risk level within the TDA framework, from no risk, to emerging risk, had not been formally raised through either the Oversight (Integrated Delivery Meetings) or via meetings with the Chair and CEO. However, the Director of Corporate Affairs undertook to work with colleagues in the Executive Team to identify whether additional mechanisms could be found to ensure escalation of risk decisions were effectively communicated from TDA to the Trust.
- 4.1.8. The Committee resolved to:
- **Agree** to action the mitigations presented in the report.
 - **Agree** the changes to the 2013/14 capital programme that passed through the IPG.
 - **Note** the changes to the previously agreed 2013/14 capital programme.

- **Note** the capital bids as recommended by IPG.

4.2. CIP Update

- 4.2.1. The Committee considered the content of the report and in response to clarification from the Director of Operations, **noted** that Localities were prepared to make additional savings of up to 10% to ensure against variance.
- 4.2.2. It was agreed that the impact assessment screening tool relevant to each plan were to be circulated to Quality and Standards Committee members immediately, and that the Quality Impact Assessments which were identified as being required for relevant CIPs would equally be quality assured by the Committee. This was to be completed prior to the Annual Operating Plan submission date of 4 April 2014.
- 4.2.3. The committee expressed satisfaction that the CIP plans were robust, and were owned at Executive and Locality level and were being appropriately quality assured.
- 4.2.4. The Committee resolved to **note** the report.

4.3. Reference Cost Update

- 4.3.1. The Committee received a report of the Director of Resources which sought to inform the Committee on the Trust's Reference Cost Index, currently at 135.
- 4.3.2. In addition, the Director of Resources tabled a set of slides which provided further benchmarking information relevant to the further consideration of the Trust's reported 12/13 reference costs.
- 4.3.3. The Committee considered the Trust's 12/13 position, and after lengthy debate, agreed that a further analysis of the Trust's position using the historic methodology would be carried out, to enable further triangulation and benchmarking.
- 4.3.4. During the debate, the Committee **noted** the nature of the national guidance on calculating reference index costs and that Trusts were subject to audit.
- 4.3.5. The Committee also **noted** the broad range of difference between the Trust's reported figures and those of its close competitors in the market and discussed potential reasons for this.
- 4.3.6. The Committee recognised that work to review the efficiency and productivity of clinical services was underway, with a view to ensuring the Trust remained competitive in the market place. This would impact upon the reference cost of the Trust in the future. A discussion about the interrelatedness of both activity data and financial information, in the context of the reference index took place, and the Committee expressed an additional level of assurance.

- 4.3.7. It was agreed that the review and analysis against the historic methodology would take place within the next few days, with a view to providing additional information for the Chair to report to Board on 26th March 2014.
- 4.3.8. The Committee resolved to **note** the report and additional materials provided at the Committee meeting.

FP/15/5 – Planning

- 5.0.1 The Committee received and considered three reports of the Director of Resources relating to future planning.
- 5.1. Final Trustwide 2 year business plans and budgets
 - 5.1.1. The Committee received a report of the Director of Resources which sought the Committee's approval on the business cases, presented within the report, for each cost pressure.
 - 5.1.2. In considering the report, the Committee **noted** that the presentation of the information contained therein was unhelpful, since, without the accompanying narrative and identification of mitigations (e.g. associated income), the figures identified as cost pressures were isolated and lacking in planned management.
 - 5.1.3. The Committee considered each 'cost pressure' in turn – as identified on the Table in page 5.
 - 5.1.4. EPR – It was **noted** that the amount identified was a maximum exposure and the Committee received sufficient explanation to be assured that it was likely that any costs realised would be met from planned IT budgets.
 - 5.1.5. Cost of Living – It was **noted** that the CCG had provided notification that it would not clawback the Cost of Living allowance, therefore taking away the cost pressure identified in Month 10.
 - 5.1.6. IT expenditure – It was **noted** that this related to work which might be required to implement service change in Bristol, but that there would be a matching income stream against this, so the risk was managed.
 - 5.1.7. Maintenance – It was **noted** that these costs would not materialise.
 - 5.1.8. Staffing Spend – It was **noted** that this related to a review of staffing levels in Secure services, and an associated formal consultation around structures. The cost pressure identified related to maximum exposure and any costs materialising would be met from cost savings plans. It was agreed that there was a risk of double counting here, but that this would be addressed through a meeting planned for the following week.

- 5.1.9. Charterhouse – It was **noted** that this related to a large scale review of older peoples services in Wiltshire and potential re-provisioning arising out of this. It was recognised that management of this risk would require ongoing negotiations with the commissioner and local authority, through the contracting round. The risk, if materialised, would be offset by savings in other areas, since this fee formed part of the block contract provision.
- 5.1.10. A&E Liaison – It was **noted** that this would likely be funded via winter pressures moneys or via local acute trusts.
- 5.1.11. The Committee **noted** that there were two further risks e.g. costs associated with Bristol transition, and any impact of the recent announcement that the Government's policy on incremental pay awards may change. This would be kept under review.
- 5.1.12. The Committee considered the Trust's strategy in relation to growth, and reflected whether the budget forecast for 14/15 15/16 was aligned with this. It was agreed that the Executive Team would reconsider the potential new business awards which the Trust might realise in the period, and make a risk based judgement on an addition to the budget to reflect a more aggressive business development approach.
- 5.1.13. It was agreed that the Board paper would need significant redrafting to ensure that the issues associated with narrative and mitigations were appropriately addressed. In addition, it was agreed that a bridge chart, similar to that used by Monitor in its reports, would be helpful, perhaps as a visual aid.
- 5.1.14. In conclusion, the Committee considered the planned surplus for 14/15, and following a debate on the balance of risk it concluded that it would recommend that the Board agrees a £750,000 surplus, releasing an additional £250,000 contingency for service redesign.
- 5.2. CIP Plans
- 5.2.1. The Committee **noted** the report, which presented the two year CIP plans for 2014/15 and 2015/16 grouped by theme.
- 5.2.2. The Committee felt that it was important to have monitoring information for the CIP schemes by locality, and that an associated trend graph plotting monthly performance against trajectory would aid Committee scrutiny.
- 5.2.3. The Committee **noted** the report.
- 5.3. LD Strategy
- 5.3.1. The Committee received the report, and having considered the issues therein, agreed to **approved** the revised business case.

FP/15/6 – Wider Performance Issues

- 6.1. The Committee received the Quality and Performance Report.
- 6.1.1. The Committee **noted** the report, highlighting the exception to performance relating to Swindon for the Discharge Protocols indicator. The Director of Operations advised that work was on-going to manage this issue and expressed confidence that performance would be in line with trajectory for Month 12.
- 6.1.2. The Committee resolved to **note** the report.

FP/15/7 - Commercial Focus

- 7.1. Update on IBP and FT
- 7.1.1. The Committee **noted** the report of the Draft AWP 2 Year Operating Plan 2014/15 – 2015/16 which provided an update on the status of the on-going work being done on the IBP with final submission on 4 April 2014.
- 7.1.2. In debate, it was concluded that comments would be provided to Kerry Geoghegan for consideration and inclusion in the final version of the submission to the TDA. The comments made earlier in the meeting related to the Quality and Standards Committee view of impact assessments were **noted**.
- 7.2. Commercial and Tendering report
- 7.2.1. The Committee was presented with the Commercial (Tendering) Report which outlined the following:
- No changes to any existing contracts.
 - No new existing contracts out to tender beyond that of the on-going Bristol CCG tender.
 - The loss of 2 tenders; Avon and Somerset Arrest Referral Services, and the Regional Mental Health Approvals Panel.
 - The gain of 2 tenders; Offender Personality Disorder Strategy at HMP Eastwood Park, and Wiltshire Care and Support Solution for Individuals with Learning Disabilities.
 - A new business opportunity around a Provision of a Dementia Advisor Service with Gloucestershire CCG.
- 7.2.2. The Committee resolved to **note** the report.
- 7.3. No update was presented to the Committee for the Bristol Tender.

FP/15/8 – Trust Policies

- 8.1. No policies were presented to review.

FP/15/9 – Committee Evaluation

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- 9.1. The Committee received a report of the Director of Corporate Affairs which provided feedback on the Committee Evaluation for 2013/14. It was **noted** that the following actions arising out of the evaluation would be implemented:
- Terms of Appointment will be defined for all Committee members in a letter to the member.
 - Deputies and locality staff should be encouraged to attend to facilitate succession planning and effective deputy representation in the absence of members.
 - Members are to actively ensure the Committee is informed of emerging issues in a timely manner, through concise and clear reporting.
 - Members and attendees must take a more proactive approach to undertaking actions identified through the Committee and the Committee should take a role in monitoring progress of these.
 - Where a training need is identified, the Committee is proactive in recommending this to the Board.

FP/15/10 – A.O.B

- 10.1. No issues were referred from other Committees.
- 10.2. The Committee dates were **noted**.
- 10.3. The forward planner was **noted**.
- 10.4. The changes made to the EPR Outline Business Case were **noted** and **approved**.