

FP/14/003 – Minutes/summary from previous meeting on 21.3.2014

1. The Group accepted the minutes from the previous meeting as an accurate record.

FP/14/004 – Matters Arising from previous meeting on 21.3.2014

1. Reference Costs

2. The Committee considered an update position in relation to Reference Costs. The report provided an update in relation to how the reference costs are calculated and submitted to the Department of Health Annually, and the move to costing and pricing mechanisms. The Committee noted that the Board was required to approve the trust’s costing processes and systems and satisfy themselves that the trust will submit its reference costs in accordance with appropriate guidance.
3. GF reported that the Finance Committee in June would receive a draft indication of the reference costs in relation to the relevant costing and pricing mechanisms. It was noted that in discussion with the Department of Health, the Trust had identified areas of batched activity which were appropriate or not appropriate to include in relation to costs.
4. The Committee noted that the HFMA materiality and quality score process would enable a review nationally of the implementation of the process, with Trusts being awarded Gold, Silver or Bronze accreditation. It was noted that the Trust was aiming for silver accreditation, and that Gold is aspirational. This benchmark would enable the Trust to validate its position and ensure that its costing approach was both competitive and transparent.
5. The Chair considered that the process was sound, and that the Committee was satisfied with the Trust’s approach. Therefore, the Committee approved the Trust’s costing process, referenced at 1.3 of the report, and would notify the Trust Board.
6. Report FP/14/004.2 - Budget Reconciliation – Board sign off to TDA Submission.
7. The Committee received a report of the Executive Director of Resources, and noted its addition to the agenda. The Committee was invited to note the reconciliation of the differences between the Trust Board approval of the Budget and the final Annual Operating Plan submission as follows:
8. 2014-15 income and costs have increased by £233,000
9. 2015-16 income and costs have increased by £891,000
10. The Committee noted these, and the onward submission to the Trust Development Authority.
11. The Group considered the Matters Arising and resolved to note progress and remove those items listed below:

12. 7.2 complete
13. 7.4 Complete and a further update was provided in the Finance Paper to be considered by the Committee, following Board consideration.
14. 4.2 The Committee noted that Quality Impact Assessments had been processed and considered by the Medical and Nursing Directors, who had determined that the level of detail provided was insufficient and required revision. The Committee required that the individual impact assessments would be finalised by the May Board.
15. The Committee requested that assurance was provided to the next meeting of the Finance Committee that the process is implemented. It was noted that the Audit Committee would be asked to endorse the Impact Assessment procedure at its next meeting, having been approved by the Senior Management Team.
16. 5.1 Complete
17. 5.2 Complete – SH reported on a change in reporting on CIP which provided gross CIP achievement e.g. gross of the cost of achievement. This had been changed following advice from the Trust Development Authority.

FP/14/005 – Financial Performance

1. The Committee received the Financial Performance report for Month 12, presented by John Ridler, Head of Financial Accounting and sponsored by the Executive Director of Resources.
2. Annual Accounts
3. It was noted that the draft accounts had been closed and submitted in accordance with required timetables. It was noted that there may be some late minor additions. The Committee noted that the Audit process had now commenced. The Chair sought clarity on any areas of concern or trends for the new financial year, e.g. pay, and whether there are any localities which present a potential cause for concern.
4. In response, KD confirmed that the redesign in impatient services was presenting a concern in relation to out of area placements. The performance information evidenced a position where out of area placements continued to fluctuate. It was considered that there would be a likelihood moving forward that out of trust placements would be not allowed, except in extreme circumstances with Executive approval. It was noted that the financial risk and exposure to the Trust of out of area placements was challenging, and whilst an element of risk share with the relevant CCGs was in place, it still presented a risk. Our aspiration is to negotiate with CCGs that any out of area placements would be fully funded by CCG, but this would be predicated on total clarity about CCG bed 'ownership'.
5. SH commented that the Trust found itself in a challenging position due to the number of commissioners within its geographical position and the likelihood of therefor having an out of 'CCG' area placement within AWP's own area of

service provision.

6. KD advised that operational improvements were to be made to enable very prompt review, use of community treatment orders and admission being managed in a different way. A decision on out of area placements would be made by the Executive team imminently.
7. The Chair commented that the quality and experience imperative for service users would require out of area placements to be mandated by the Board. The quality of the bed management process was queried and whether additional work was required to ensure the effectiveness of this. KD confirmed that this was being driven through the impatient project.
8. KD would discuss with Executive Team on Tuesday 26th and then escalate to Board as appropriate.
9. In relation to Localities, KD advised that Bristol remained the area of concern. The tender has diverted some attention from management and financial grip and whilst progress had been made, the impact of the transition will be key, with accountability and leadership crucial. Formal quarterly reviews are taking place with the localities, adding to the assurance and management structure.
10. The Chair requested an in-depth review of Bristol at the next meeting, to understand the impact of the bid and the management of the day to day localities, demonstrating financial scrutiny. The Locality Leadership team would be required to attend to demonstrate the financial scrutiny.
11. In relation to pay, it was noted that the pay assumptions were that the costs would continue a downward trend aligned with staff reductions, that the change in pay increments had been factored in, and that none of the localities have raised specific pay issues or concerns.
12. In light of a perceived growing trend in temporary staffing, the Committee requested additional assurance following the meeting, to review actual pay spend and alignment with plan, and it was agreed this would be provided from existing performance management data on temporary staffing levels.
13. Month 12 Report
14. The Committee noted that the plan for the shape of the finance report in future was that it would be locality focused, and recommended that income and costs ought to be shown together where they balance to ensure a thorough and true picture of the risk is given. In addition, the use of plain language would be valuable, and more concise comments.
15. The Committee scrutinised the table at 1.2 which demonstrated an analysis of income. It was suggested that the narrative and explanation must be more specific, concise and correlate with the table, particularly where significant variance is being noted.
16. The Committee approved the onward recommendation to the Board that the 2013-14 financial statements be considered, and that authority be delegated

to the Audit and Risk Committee to approve the same at its meeting on 2nd June 2014.

17. 5.2 13/14 CIP
18. The Committee received a report presented by the Head of Programme Office, and sponsored by the Executive Director of Resources which provided a year end position on CIP. It was noted at the end of year, the CIP achievement demonstrated a variance of £90,000 against a plan of £9,630,000. It was further noted that the achievement was supported by some non-recurring schemes authorised at Month 9, to the extent of £1,363,000.
19. In relation to significant areas to note, the Committee noted the variance in staff numbers. Noting the time lag in presentation of data, staff numbers have increased but that the skill mix has changed, with a reduction in senior Band 8a and Band 4 staff, evidence of implementation of the results of the Benchmarking exercise conducted by the Trust in year.
20. Bank and Agency staff levels had increased, but that more accurate budgets for pay in 2014-15, it was anticipated that the levels would be static at plan and reducing downward as expected.
21. It was noted that the number of joiners has been less than the number of leavers, and therefore there was a net reduction in staff numbers.
22. In relation to sickness levels, it was recommended that long term sickness ought to be longer than 7 days, as it is recorded now, and that the Committee wishes to see this data, as well as sickness of more than 30 days.
23. The reduction in agency staffing was noted, and welcomed, and that the corresponding increase in bank staff usage was encouraging as an indicator of quality.
24. It was noted that signs were encouraging in relation to DTOC, where Swindon and Wiltshire presents the more significant challenges. The inpatient redesign project was anticipated to mitigate some of the DTOC which was within the purview of the Trust to manage, and ongoing discussions with Commissioners were taking place. KD provided an update on the current position in relation to Liddington and Hudson Wards, and that an arrangement for brokerage with the Local Authority had been implemented to drive change. Contextually, it was known that there was an interrelationship between Swindon and Wiltshire bed situations, and the level of nursing home provision in Wiltshire an aggravating factor.
25. The Committee noted that the DTOC position in BaNES was worsening, and detailed discussions had taken place with commissioners in relation to the range of beds available for dementia patients in particular, where it was considered by commissioners that patients of significant acuity could not be best supported in the available nursing bed provision. The Trust was prepared to make resource available to support patients in these beds, and that the joint planning around this needed to be escalated. The Committee

agreed this escalated position.

26. The Committee requested sight of CIP delivery by Locality, to ensure appropriate scrutiny at a more granular level.
27. In addition, in year, tracked progress by Locality would be helpful for the Committee to scrutinise for information.
28. Finally, the Committee recommended appropriate robust and positive communication and messaging to both localities and to the Trust Development Authority in relation to achievement of targets and quality improvements. SH undertook to report to the TDA at the monthly Integrated Delivering meeting, and a paper feedback report to the Regional Director of Delivery Stephen Dunne.
29. 14/15 CIPs and reporting
30. The Committee noted the Trust Development Authority requirements in relation to demonstration of Cost Improvement Plans and savings plans, and that monthly reporting was required to the TDA as well as to the Finance Committee and Trust Board.
31. The Committee noted that each scheme has a management lead, and that Executive owners had also been identified for each.
32. It was recognised that the churn factor associated with the gap in between leavers and joiners was significant, and it was to be tracked as in improving recruitment processes, an unintended consequence might be a reduction in this factor. The Committee noted, as encouraging, the more sophisticated use by the Trust of its data to support this.
33. Pharmacy and Procurement work streams were queried in relation to the detail of the business case. In addition, the phasing of some of the achievement was discussed and noted with £254,000 expected delivery in month one. None of the Localities had reported the need for an exception report in Month one. The 6th May was noted to be the date at which the revised Quality Impact Assessments would be re-submitted and that a monthly rolling diary was in place for the Clinical review of the remaining scheduled assessments.
34. The assurance process associated with delivery of plans in 14-15 was discussed, and the relative reporting of both forecast and actual finance and delivery and any mitigations required. The Executive Assurance group will receive reports monthly and will then report onwards to the Finance and Planning Committee.
35. The Committee noted that the process was new for the Trust, and the definition of a cost improvement plan for could be challenging, but that it was recognised that the process would be reviewed, refined and embedded.
36. In conclusion, the Committee requested assurance that the process was in place to ensure that the schemes delivered to timetable. FB reiterated that working relationships with the Executive Leads were sufficient that issues

would be escalated quickly. In addition, FB attends the Operational senior management team to have direct access to operational leads.

37. The Committee requested that the difference in skill mix as a result of the CIP would be valuable to share with the board as a demonstration of the achievement of the scheme in year.

FP/14/006 - Planning

1. The Committee received a report prepared by the Head of Business Planning and presented and sponsored by the Executive Director of Resources.
2. SH alerted the Committee to the process being adopted for the development of the Integrated Business Plan. The focus was to be a document which told a story and which was accessible to both managers and the regulators.
3. The submission timetable saw a draft submission to the May Finance and Planning Committee, and relevant sections of the drafting to both the Quality and Standards Committee and Employee Strategic and Engagement Committee.
4. External consultants have been engaged to carry out a review of the plan and the Long Term Financial Model. Results showed that further work was required to develop the five year activity plans and align these with the LTFM. Growth aspirations and the values associated with these were viewed to be robust.
5. The Committee noted the new timetable and the amendment to the business planning timetable as follows:
6. Submission of IBP to ET/SMT/F&P and Board in May 2014
7. Submission to the TDA on 20th June 2014
8. Inclusion of submission of relevant sections of the IBP to ESEC and Q&S in May 2014.

FP/14/007- Wider Performance Issues

1. Quality and Performance Report FP/14007
2. The Committee received a report prepared by the Head of Information and Performance Management and presented by the Executive Director of Operations. The Committee was invited to note the report and performance on a range of indicators.
3. The Committee noted that the consistent performance on monitor compliance was evidence of strong quality and performance and that this must be noted.
4. In relation to the national and other locally defined key quality indicators, KD appraised the Committee of actions in train to resolve non-compliance with the Wiltshire and Swindon Locality on Discharge protocols.
5. The Committee reviewed other areas of reported non-compliance, taking

assurance that actions are in place to resolve these within the month.

6. For finance metrics, it was noted that achievement of finance standards was at Amber, and the Committee noted the actions identified within the corresponding Finance Report (FP/
7. KD advised that as part of the refinement of the Board Quality and Performance report and that it identified the top and bottom teams in relation to achievement of quality standards. The Committee noted that teams demonstrated challenged performance had been offered additional resource or support, as despite reminders, had not chosen raise the need for additional resource. Therefore, the Executive assumed that all managers had access to the resources required to deliver and therefore performance management would continue.
8. TG queried the rationale for the new carers indicator, and sought assurance that the implementation of this aligned with the Trusts continued support for carers and their intrinsic role in provision of quality services. It was agreed additional narrative was required.

FP/14/008 – Commercial Focus

1. The Committee discussed the updates on the Commercial opportunities as follows:
2. Update on FT (verbal): A verbal update was provided by the Director of Corporate Affairs, and it was noted that the Board would wish to review the recent political consideration of whether the Foundation Trust pipeline might be frozen.
3. Commercial and Tendering Report: The Committee received a report prepared by the Head of Procurement and Contracts Management and presented and sponsored by the Executive Director of Resources. The report provided a summary of the Trust’s contractual position. SH raised the Committee’s awareness of two new business opportunities which were out to tender, for the provision of a dementia advisor service in South Gloucestershire CCG; and additional a number of Bournemouth Drug and Alcohol Services which would be in addition to the complex prescribing service already provided by AWP.
4. The Committee noted the report.
5. KD advised on commercial challenges in the delivery of the Bristol ROADS contract, associated with a difference in clinical philosophy in relation to the service specification for the project with the Trust partner Bristol Drugs Project. The process agreed was to work to demonstrate change by the end of May 2014, but that if the contractual performance was still challenged, the Trust has the prime contract and it would need to performance manage the contract.
6. It was recommended that the issue was escalated to Board after the end of

May 2014.

7. In addition, the Committee felt that the choice of partners and their strategic ambition is crucial in determining partnerships which the Trust might wish to grow.
8. The Committee identified a need to add to the Committee workplan a discussion about commercial strategy in relation to pump-priming investment and building new business; in addition a model for growing in dispersed geographical locations. This will be added to the agenda workplan.
9. Bristol Tender (verbal):
10. The Committee noted that the governance arrangements associated with the Bristol Tender continued to be implemented, and that a programme board teleconference took place earlier in the week of the Finance and Planning Committee, and at which the Chair of the Committee was in attendance. There were no issues to report to the Finance and Planning Committee meeting for escalation at this time.

FP/14/009 – Any Other Business

1. No Issues were raised to be referred to/ from other committees, nor issues to escalate to Board.
2. EPR Outline Business Case: The Committee received a report of the Executive Director of Resources seeking approval of the Finance and Planning Committee of the Business Case for the Electronic Patient Record procurement. This had been postponed from the meeting of the Finance and Planning Committee held in March 2014. The Committee reviewed the business case, and approved its onward recommendation to the Trust Development Authority.
3. 9.3 Items for future Agendas: The Chair asked that an update on the safer staffing model and project would be presented to the Committee before any future Board consideration to enable scrutiny of the alignment between quality, experience and finance. This will be added to the agenda.

Next Meeting:

It was noted that the next meeting was to take place on 23rd May 2014

Minutes Prepared for the meeting of Finance & Planning dated 25.4.2014		
Sponsored by the Chair		
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