

**Meeting of the Oxford Health NHS Foundation Trust**

 **Finance and Investment Committee**

**BOD 60/2018**

(Agenda item: 16(b)) )XX)

 [DRAFT] Minutes of a meeting held on

21 March 2018 at 09:00

in the Ascot Room, Littlemore Mental Health Centre
Sandford Road, Littlemore, OX4 4XN

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| **Present:** |  |
| Chris Hurst Martin Howell John Allison Stuart Bell Mike McEnaney  | Non-Executive Director (Chair) (**CH**)Trust Chair (**MH**) Non-Executive Director (**JA**)Chief Executive (**SB**) Director of Finance (**MM**) |
| **In attendance:**  |  |
| Dominic Hardisty Hannah Smith Claire Dalley Laura Smith  | Chief Operating Officer (**DH**)Assistant Trust Secretary (**HS**)Director of Estates and Facilities (**CD**) (Part Meeting) Corporate Governance Officer (**LS**) (Minutes) |

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| **1.**a | **Apologies for Absence** Apologies for absence were received from Kerry Rogers, Director of Corporate Affairs and Company Secretary; and Paul Dodd, Deputy Director of Finance.  | **Action** |
| **2.** abc | **Minutes of the Meeting held on 08 February 2018 and Matters Arising**The minutes were approved as an accurate record of the meeting. ***Matters Arising*** The Committee confirmed that the following actions from the 08 February 2018 Summary of Actions had been completed, actioned or were on the agenda for the meeting: 3(a), 5(c), 6(e), and 7(c). The action against items: 4(a), 8(b), and 14(a) would be held over to the next meeting.  |  |
| **3.** abcde | **Minutes of the Capital Programme Sub Committee**The Director of Finance provided an oral update from the Capital Programme Sub Committee and reported the Abel House Business Case for Learning and Development had not been approved as further work was needed. A further business case for additional space at the Sue Nicholls Centre was approved due to an expansion of Improving Access to Psychological Therapies (IAPT). The Director of Finance explained that plans for a low secure learning disability unit would need to be revisited due to a change in specification from NHS England from a 22 bed unit to a 10 bed unit. The Director of Estates and Facilities highlighted some of the options for the unit and explained that costings and sketches were underway. The agreement for 71 Hill Top Road had been signed and the buyer would have 3 months to submit their plans. The money was forecast to come in by the end of FY19 with a profit of £400k. The Chief Executive gave an update on the Warneford development and said the Trust was working with the University to agree what should be on the site and to look into sourcing philanthropic donations. The Director of Finance added that the plan was for an expansion, rather than a rebuild, therefore costs were expected to be around £42m. **The Committee noted the report.**  |  |
| **4.** ab | **Capital Programme Financial update** The Director of Finance presented paper FIC 13/2018 and highlighted the Capital Programme was £2.4m behind plan year-to-date. He added that the Trust was unlikely to achieve the forecast spend of £7.4m but that commitments would be much closer to the FY forecast. **The Committee noted the report.**  |  |
| **5.** abc | **Capital Programme Project Delivery update** The Director of Estates and Facilities presented paper FIC 14/2018 which provided an update on Capital Programme project delivery and highlighted that progress was being made. Proposals for investment of operational capital for FY19 were in the process of being drafted. John Allison noted a request from the last meeting to refine the basis for colour coding risk and the Director of Estate and Facilities agreed to add this and re-issue the paper. **The Committee noted the report.**  | **CD** |
| **6.** abcde | **Slade Site – options for use** The Director of Estates and Facilities provided an oral update on the options for the use of the Slade Site and reported that 23 potential ideas were being reviewed; some of which could be combined. Workshops were being set up with clinical services to look at the options and consider: 1. Would it bring in any money?
2. Would it support or deliver Cost Improvement Plan (CIP)?
3. What would be the impact on patient experience?
4. Would it reduce clinical risk?

The Chief Executive said there was a question around whether the Trust views the Slade as a strategic asset or something to sell. The Committee felt that the aim should be a strategic asset and agreed to add an item to a future Board of Directors to confirm this principle. The Director of Finance said a more detailed service strategy, property strategy and finance strategy would be needed to enable this development. **The Committee noted the report.**  | **MM/ HS** |
| **7.** abc | **Apprenticeship Levy Update**The Director of Finance presented paper FIC 15/2018 and reported that the Apprenticeship Levy commenced in April 2017. He explained that 0.5% of the Trust’s wage bill (£780k per annum) would go back to Her Majesty's Revenue and Customs (HMRC) for the Trust to reclaim through the delivery of apprenticeships. The Levy was £73k per month and he explained that the Trust’s ambition was to start to “break even” by October 2018 and then begin to secure additional income over an above its contribution from that point. The Chair asked how the Executive will keep oversight of the Apprenticeship Levy and the Director of Finance agreed to include an update within the Board Finance Report. **The Committee noted the report.**  | **MM** |
| **8.** abc | **Financial Plan and Utilisation of Reserves** The Director of Finance provided an oral update on the financial plan and reported the February results were slightly worse than forecast. Adult Mental Health overspend remained a key issue and the Finance Team were working with the Directorate to manage this going forward. He explained that funding for the Forensic New Care Model had previously been tentatively agreed for £63.8m, however this had since been changed to £61m. Savings from this range between £1.3m and £3.8m, however the current forecast only included a £400k benefit. **The Committee noted the oral update.**  |  |
| **9.** abcd | **Cost Improvement Programme (CIP) highlight report** The Chief Operating Officer presented paper FIC 17/2018 and reported that the programme had been unable to deliver the target. Key areas of focus identified for the FY19 programme included:* agency spend – up to £1.2m savings;
* non-pay – up to £1m savings;
* service line productivity – up to £2m savings; and
* income opportunities.

The Director of Finance added that on the revenue side Buckinghamshire received 3% less funding for mental health than the national average and Oxfordshire received 4% less. He was working on how to demonstrate this to the Clinical Commissioning Groups (CCGs) as part of a request further funding. John Allison said the ‘resource to plan and deliver Cost Improvement schemes’ risk was operational and therefore in the gift of the Trust to resolve. The Chief Operating Officer agreed and explained that the Executive need to balance competing priorities for finite staff capacity and being mindful of the realistic potential for the Trust to deliver its overall financial plan without full delivery planned CIPs. He agreed to look at the wording of the risk to make this clearer. **The Committee noted the report.**  | **DH** |
| **10.** ab | **Cash Flow Report** The Director of Finance presented paper FIC 16/2018 and highlighted an end of year cash flow forecast of £16.6m and a 2019 forecast of £17.9m. **The Committee noted the report.**  |  |
| **11.** abc | **Oxford Pharmacy Store (OPS) Performance Report** The Director of Finance presented paper FIC 18/2018 and highlighted the need to write off £84.2k of stock, of which £73.3k related to a power failure. The Chair asked whether this was an insurable risk, and the Director of Finance explained that it was not. The Director of Finance reported that a review of the future of OPS was underway. **The Committee noted the report.**  |  |
| **12.** a | **Any Other Business**No further business to discuss.  |  |
|  | The meeting was closed at: **10:58****Date of Next Meeting:** Thursday, 10 May 09:00-11:30 in the Ascot Room, Corporate Services Building, Littlemore Mental Health Centre, Sandford Road, Littlemore, OX4 4XN |  |

**Attendance 2017-2018**

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|  | **May 17** | **July 17** | **Sept 17** | **Nov 17** | **Feb 18** | **Mar 18** |
| Chris Hurst (chair) |  |  |  |  |  |  |
| Martin Howell  |  |  |  |  |  |  |
| John Allison  |  |  |  |  |  |  |
| Stuart Bell  |  |  |  |  |  |  |
| Mike McEnaney  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Dominic Hardisty  |  |  |  |  |  |  |
| Kerry Rogers |  |  |  |  |  |  |
| Hannah Smith  |  |  |  |  |  |  |
| Paul Dodd  |  |  |  |  |  |  |