

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

**Finance and Investment Committee**

BOD 13/2020

(Agenda item: 15(a))

Minutes of a meeting held on

Tuesday, 12 November 2019 at 09:00

in the Boardroom, Warneford Hospital,

Warneford Lane, Headington, Oxford OX3 7JX

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| **Present:** |  |
| Chris Hurst | Non-Executive Director (**CMH**) (the Chair) |
| John Allison | Non-Executive Director (**JA**) |
| Stuart Bell | Chief Executive (the **CEO/SB**) – *part meeting* |
| David Walker  Mike McEnaney | Trust Chair (**DW**)  Director of Finance (the **DoF/MMcE**) |
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| **In attendance:** |  |
| Kerry Rogers  Martyn Ward  Neil McLaughlin | Director of Corporate Affairs & Company Secretary (**KR**) – *part meeting*  Director of Strategy & Chief Information Officer (**MW**) – *part meeting*  Trust Solicitor & Risk Manager (**NMcL**) – *part meeting* |
| Hannah Smith  Susan Wall | Assistant Trust Secretary (**HS**) (Minutes)  Corporate Governance Officer (**SW**) (Minutes) |

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| **1.** | **Apologies for Absence**  No formal apologies received. | **Action** |
| **2.**  a  b  c  d  e | **Minutes of the meeting on 17 September 2019 and Matters Arising**  The Minutes were approved as a true and accurate record of the meeting.  ***Matters Arising***  **Item 4(c) Capital Programme Sub-Committee (CPSC) – scrutiny of capital schemes which went over budget**  The Director of Finance (**DoF**) noted this action was in progress but that the report on the CPSC needed to be updated to include some more detail on how capital schemes which went over budget were scrutinised by the CPSC.  **Item 8(c) Information Management & Technology (IM&T) reporting on risk of slippage with Global Digital Exemplar (GDE) funding**  The Committee confirmed that the action to provide a further update to this meeting had been completed and was on the agenda (at paper FIC 64/2019, see item 7 below. However, the Chair noted that he had previously raised a concern as to how the Trust could exercise effective oversight of the application of GDE funding which it had received; this risk appeared to have now crystallised, as set out in paper FIC 64/2019.  The Committee confirmed that the following actions had been progressed/completed:   * Item 3(b) Productivity Improvement Programme – reporting in a more useful format – noted had been progressed; * Item 4(b) – FY20 Capital Programme and traffic light system in the reporting – completed; * Item 8(g) – NHS Long Term Plan – was reviewed by the Board and on agenda for this meeting at Item 9 below.   The Committee noted that the following actions from previous meetings were to be progressed:   * Item 8(f) IM&T risks – to include a risk around the ageing IT estate (now impacting the development of the capital programme and beginning to generate revenue costs due to increased work for IT operational services); * Item 5(c) – to confirm minimum level of IM&T investment required for business continuity; and * Item 12(a) – Finance and Investment Committee annual report. | **CD/ MME**  **MW**  **MW/**  **MME**  **HS/KR** |
| **3.**  a  b  c  d  e  f  g | **FY20 Capital Programme overview**  The DoF presented the report FIC 60/2019 on the FY20 capital programme comprised of transformation projects, operational estates projects and IM&T schemes (including Global Digital Exemplar (**GDE**) investment). He highlighted the Trust had been achieving the national requirement to reduce capital expenditure by 20% but this requirement had been reversed under national direction.  The DoF informed the Committee that NHS Improvement (**NHSI**) had additional central funding available that was required to be spent by the end of this financial year. He explained that a list of the top four items was being developed for submission to NHSI. The Trust Chair asked if IT capital spend was one of the items under consideration as spend to replace outdated equipment would benefit productivity. The DoF confirmed that this was one of the options that was being considered.  The Trust Chair queried the revenue consequences of Public Dividend Capital (**PDC**). The DoF explained the cost consequences of PDC including the dividend payable to the Treasury and depreciation which would need to be covered with revenue stream.  The DoF stated a revised business case letter for the Psychiatric Intensive Care Unit (**PICU**) had been submitted and a letter of support had been received from NHSI; the Trust was awaiting funding to be received.  The DoF said that a further meeting was being arranged with NHS England for the end of the month to assist in progressing negotiations for specialised commissioning for the Learning Disability Low Secure Unit (**LD LSU**). The original proposal had been for a male unit to support the less developed pathway from medium secure to low secure. If the proposal for the male unit was not agreed this would necessitate additional funding requirements and on-going support for the female unit.  The Chair asked for clarification on the 25% underspend of GDE from what was expected. The DoF explained this was due to the delay in implementing electronic prescribing and would be covered in Item 7.  **The Committee noted the report.** |  |
| **4.**  a  b  c  d | **Capital Projects (Estates schemes) update report**  The DoF presented the report FIC 61/2019 on progress to deliver operational (Estates) capital projects. It was noted that projects were financially in line, currently on time and running well. However, there were two areas to highlight: Oxford Clinic Windows and Wenric Toilets.  The DoF notified the Committee that negotiations were on-going with the PFI (Private Finance Initiative) partners on the Oxford Clinic with regards to replacing the windows, taking into consideration the remaining length of lease. The requirement to replace rather than just maintain the windows at the clinic had arisen from a change in standards requiring the windows to be anti-ligature. This change raised the priority of this scheme on the local risk register to high and so was now therefore more pressing. The Wenric project was noted as required.  The DoF highlighted projects on hold: Didcot Children’s Centre which was experiencing administrative delays and projects at Valley Centre and Harlow House experiencing logistical issues with temporary relocation of services.  **The Committee noted the report.** |  |
| **5.**  a  b | **Update from the Capital Programme Sub-Committee (CPSC)**  The DoF presented the CPSC minutes of meetings on 03 September 2019 and 01 October 2019 at FIC 62(i)-(ii) 2019 and the revised CPSC Terms of Reference at FIC 62(iii)-(iv) 2019. The CPSC Terms of Reference had been updated to reflect changes in membership.  **The Committee received the CPSC minutes and APPROVED the revised CPSC Terms of Reference.** |  |
| **6.**  a  b  c  d  e  f  g  h  i | **Warneford Foundation Steering Group minutes**  The DoF presented the minutes of the Warneford Foundation Steering Group meetings on 25 July 2019 and 11 September 2019 at papers FIC 63(i)–(ii) 2019. He provided the latest update on arrangements to progress the scheme. He said that further discussions were required prior to submission of all planning applications for the project. It was noted that construction and development timelines were required to be revised due to a potentially more phased approach that would delay the planning applications by a couple of months.  *The CEO joined the meeting*.  The Chair asked if any review or planning had taken place with regards to project scheduling and patient care disruption in the event of a phased approach being taken. The DoF replied that planning principles were for no disruption to in-patient wards and care until alternative facilities were available. He stated that a phased approach would enhance the availability of space during this period.  The Chair enquired about the broader picture and integrity of the project. The DoF said NHSI Estates might consider adopting the design into their standards. He also mentioned that the revised project potentially opened up commercial financial opportunities, these were being explored.  John Allisonasked if: the desktop review of car parking had taken place, as he had concerns about access and parking to the site for both staff and patients and the reliability of local public transport; and if off-site solutions were being considered. The DoF replied that the review had not yet taken place but would be carried out following project revisions. He added that some off-site solutions were also being considered for Out-patient services which would limit traffic and parking on site. He noted that the City Council were putting forward a consultation paper that included looking at traffic flows for local public transport and corporate parking charges.  *Martyn Ward joined the meeting*.  The Trust Chairasked for more clarification at a strategic level of what was required from the Trust in relation to wider transport and parking considerations. The DoF responded that a transport plan was an essential enabler and an integral part of the planning proposal and that transport consultants had been nominated; more information would be available in the new year and also discussed with the Executive and the Board, as appropriate.  The CEO shared his concerns on journeys being generated and general green issues, noting recent discussion at the Oxfordshire Health & Wellbeing Board on transport challenges and the links between transport and healthcare delivery, for example in relation to supporting local people to be able to attend appointments.  The Chairadded that transport issues and the impact within Central Oxford were an important recruitment and retention consideration in order to attract quality staff and then retain them.  *Kerry Rogers joined the meeting.*  The Trust Chairasked about the process with regards to capital bidding. The DoF responded the first step was to revise the draft Strategic Business Case and add the next level of detail. With regards to engagement the CEO and the DoF noted that it was very much a fluid process and that the situation may crystallise in the first quarter of next year.  **The Committee noted the minutes.** | **MME** |
| **7.**  a  b  c  d  e  f | **Information Management & Technology (IM&T) status report**  The Director of Strategy and Information Officer (**MW**) presented the report FIC 64/2019 including updates on: IM&T Service Desk, GDE funding, electronic prescribing and medicines administration (**ePMA**), IT and network infrastructure and procurement schemes.  MW drew attention to three areas of concern in IM&T. Firstly it had been necessary to move staff off projects temporarily to the IT Service Desk which was under time pressure with service calls of which a substantial number were due to mandatory upgrades and ageing IT estate. MW said that some capital funding may be available over the next 4 financial years, which would help to alleviate the current issues, however this was subject to good progress being made with the Long Term Plan.  Secondly MW reported on-going challenges in meeting the GDE milestones to be able to secure the next tranche of funding. The delay in deliverables and the reason for funding being withheld was over the non-delivery of an electronic prescribing and medicines administration (ePMA) system. Discussions were on-going to resolve the funding situation with NHS Digital in how to procure a suitable ePMA system. This could be either through a consortium process with previous partners or via a government framework as delivery of a satisfactory ePMA system was a requirement prior to funding being obtained. MW will continue to provide updates.  Thirdly MW reported that the Trust is continuing its plans to identify and then migrate IT services to more sustainable and resilient hosting arrangements to reduce risks around the data centre and to be in-line with findings following a recent internal audit.  The Trust Chair referred to the Buckinghamshire, Oxfordshire and Berkshire West (**BOB**) Integrated Care System (**ICS**) and asked whether there was a BOB ICS dimension or opportunity to be explored in relation to data hosting. MW replied that whilst the BOB ICS was helping to bring various different strategies together, it would still take a few years to work through the implications and the opportunities for accessing funding; in principle however, he supported migration into the BOB ICS environment.  **The Committee noted the report.** |  |
| **8.**  a  b  c  d  e | **Financial position (and utilisation of reserves) and Productivity/Cost Improvement Programme (the PIP)**  The DoF and MW presented the report FIC 65/2019. The DoF informed the Committee that over the next four years the Trust would be required to make savings of £20.4m and it was important to consider the principles behind setting the strategic approach to making savings so that there was always a point of reference if facing challenges. Following discussions at the Operations Management Team (OMT) meeting and the Executive, the DoF reported there was a preference to follow a blended approach to achieve the required savings by benchmarking data and cross-cutting themes.  The meeting discussed the potential approaches, as set out in the report, and the following points were noted of importance: i) management of resources, to understand what was currently working well and where any savings may be made; ii) overview as to how resources were deployed; iii) cost versus quality, looking at where there may be choices; and iv) capacity and capability. It was noted that it was imperative to use historical learning experiences in identifying any gaps, closing inefficiencies, engaging others in the processes required and demonstrating appropriate command, direction and good leadership. Having a strategic approach would allow for full accountability and benchmarking if queries were raised. Responsibility should not be separated from authority; the risks of taking an isolated approach towards PIP planning, whether through separation from the wider picture of the organisation’s financial planning and the impact of the system around it or through delegating responsibility to consultancy, were acknowledged.  It was noted that improvements were required in linking activity to resources and being able to map and align processes in the long term so as to ensure a methodical and professional operated set of services with appropriate knowledge and skills in place. The Committee recognised the work that MW had done to date on this.  John Allison raised consideration of a holistic view by looking at what really matters and prioritising these matters and letting go of others. Stuart Bell added that historically people had been bound by thinking contractually and this had fed into how prioritising and authorisation had been managed and that greater autonomy was required. The committee acknowledged both points and MW summarised that the discussions would be useful to support him to draft a mandate to take PIP planning forward and align finances and deliverables.  **The Committee noted the report.**  *Martyn Ward left the meeting* | **MW** |
| **9.**  a  b | **BOB ICS plan update and development of Trust Long Term Plan**  The DoF provided an oral update, noting that the detail of the draft BOB ICS plan had also been discussed at the Board workshop/meeting in private on 31 October 2019. He added that, since then, it had been clarified with NHSE that there was no additional funding for mental health beyond the non-recurrent transformation funding. He was, therefore, undertaking gap analysis of the mental health investment standard against the available transformation funding and he would revise the financial plan accordingly and update the Board in due course.  **The Committee noted the oral update.** |  |
| **10.**  a  b | **Financial position (and utilisation of reserves) oral update**  The DoF provided an oral update and stated that financial performance in October 2019 had been on forecast. The Chair noted that, however (and based on the September data available in the reports), forecast performance was worse than the original plan.  **The Committee noted the oral update.** |  |
| **11.**  a  b  c | **Cash management report – cashflow and working capital – balance sheet**  The DoF presented the report FIC 66/2019 and confirmed that cashflow was relatively strong and that the forecast to 31 March 2020 was £13.3 million. He highlighted that the cash position had improved further through: tightening up of the Trust’s cash management practices; and following up with commissioners to ensure that income was received in a timely way.  The Chair noted that some further consideration of the working capital position may be useful, especially in relation to assurance around going concern status and maintaining a minimum cash balance. He noted that whilst efforts were reported to improve the cash position by driving down debtors, when the profile of aged debts was considered there still appeared to be more work to do. The DoF noted that he could circulate further information/ a note to clarify; the Committee also noted that the position could be discussed further at the Board.  **The Committee noted the report** | **MME** |
| **12.**  a  b  c | **Oxford Pharmacy Store (OPS) report**  The DoF presented the report FIC 68/2019 and highlighted that performance for the year to date FY20 was better than plan with higher sales than budget.  The DoF reported the success in being more sales focused and building strong relationships giving rise to greater product opportunities; he also acknowledged that distributions and operations were achieving greater throughput. The Chair remarked, and the Committee agreed, that OPS performance for the first part of the year had been very encouraging and to pass this on to staff.  **The Committee noted the report.**  *Neil McLaughlin joined the meeting* |  |
| **13.**  a  b  c  d | **Inquest and claims annual report**  The Trust Solicitor & Risk Manager, Neil McLaughlin, presented the report FIC 67/2019 which set out details of claims, inquests and legal services activity during the period.  Neil McLaughlin reported that the Trust’s contribution to NHS Resolution had decreased by -11.25% from FY19 to FY20. He informed the Committee that NHS Resolution had not yet published other member trusts’ benchmarking data, usually available every August. He would provide an update if the publication and data became available.  John Allison enquired how the Trust’s number of clinical negligence claims compared to other trusts. Neil McLaughlin responded that the Trust ranks as modest for claims compared to other trusts. John Allison added that it is imperative that the Trust continues to operate in a safe manner.  **The Committee noted the report.**  *Neil McLaughlin left the meeting* |  |
| **14.**  a | **Any Other Business**  The CEO informed the Committee that the draft CQC report had recently been received. The Chair noted that it would be useful if an assessment of any impact upon capital priorities could be available for the next meeting in 2020.  The meeting was closed at 11:36 | **MME** |
|  | **Date of next meeting: Wednesday, 22 January 2020 09:00-12:00, in the Boardroom, Warneford Hospital, Headington, Oxford OX3 7JX** |  |

**Attendance 2019-2020**

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|  | **May 2019** | **July 2019** | **Sept 2019** | **Nov 2019** | **Jan 2020** | **Mar 2020** |
| *Committee members – counted in the quorum* | | | | | | |
| Chris Hurst |  | *✓* | ✓ | ✓ |  |  |
| John Allison | ✓ | *✓* | ✓ | ✓ |  |  |
| Stuart Bell | ✓ | ✓ | ✓ | ✓ |  |  |
| Mike McEnaney |  | ✓ | *Deputised* | ✓ |  |  |
| David Walker |  | ✓ | ✓ | ✓ |  |  |
|  |  |  |  |  |  |  |
| *Regular attendees* | | | | | | |
| Claire Dalley | *Deputised* | *✓* | ✓ | *x* |  |  |
| Paul Dodd | *x* | *✓* | ✓ | *x* |  |  |
| Dominic Hardisty |  | *✓* | *N/A* | *N/A* | *N/A* | *N/A* |
| Kerry Rogers |  | *✓* | x | ✓ |  |  |
| Martyn Ward |  | *✓* | x | ✓ |  |  |
| Hannah Smith |  | *✓* | ✓ | ✓ |  |  |