

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

**Finance and Investment Committee**

FIC 55(i)/2022

(Agenda item: 02)

Minutes of a meeting held on

Tuesday, 12 July 2022 at 09:00

Via Microsoft Teams Virtual Meeting

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| **Present:** |  |
| Chris Hurst | Non-Executive Director (**CMH**) (the Chair) |
| Grant Macdonald | Executive Managing Director for Mental Health, Learning Disability & Autism (**GM**) |
| Mike McEnaney | Director of Finance (**DoF/MMcE**) |
| Philip Rutnam  Heather Smith | Non-Executive Director (**PR**)  Incoming Chief Finance Officer (**HeS**) |
| David Walker | Trust Chair (**DW**) |
| Martyn Ward | Executive Director for Digital and Transformation (**EDDT/MW**) - *part meeting* |
| **In attendance:** |  |
| Sigrid Barnes | Head of HR Systems and Reporting (**SB**) - *part meeting* |
| Matthew Edwards | Director of Clinical Workforce Transformation (**ME**) - *part meeting* |
| Wayne Heal | Head of Property Services (**WH**) - *part meeting* |
| Peter Milliken | Deputy Director of Finance (**DDoF/PM**) |
| Kerry Rogers | Director of Corporate Affairs & Company secretary (**DoCA/CS/KR**) |
| Hannah Smith | Assistant Trust Secretary (**HaS**) - *part meeting* |
| John Upham | Sustainability Manager (**JU**) - *part meeting* |
| Bill Wells | Head of Research and Development (**BW**) - *part meeting* |
| Susan Wall | Corporate Governance Officer (**SW**) (Minutes) |
| **Observers:** |  |
| Geraldine Cumberbatch | Non-Executive Director (**GC**) |
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| a  b | **Apologies for Absence**  Apologies were received from: Amélie Bages, Executive Director of Strategy and Partnerships; Nick Broughton, Chief Executive Officer; and Charmaine Desouza, Chief People Officer.    The Chair welcomed all those present to the Finance and Investment Committee (**FIC**) meeting and commented there still remained financial uncertainty in the current environment being operated in and asked for all to be mindful to review items being presented that day as part of a whole picture rather than in isolation. |  |
| a  b  c  d  e  f | **Minutes of Meeting held on 17 May 2022 and Matters Arising**  The Finance and Investment Committee (**FIC**) minutes of the meeting held on 17 May 2022 were approved as a true and accurate record.  ***Matters Arising***  **FY23 Capital Plan Proposal**  The Chair stated that as agreed at the 17 May FIC 2022 meeting the FY23 Capital Plan Proposal and been circulated post the meeting for an out of session approval, owing to the final proposals not being ready for the May FIC meeting. He informed that the proposed FY23 Capital Plan had been confirmed via the out of session process and was being presented to the Committee for ratification.  **The Committee RATIFIED the APPROVED FY23 Capital Plan proposal that had been circulated for out of session approval following the May FIC 2022 meeting.**  **Capital Programme Sub-Committee (CPSC)**  The Chair outlined it was good practice to look at how the CPSC prioritised schemes with available capital investment capacity and requested that a paper summarising the methodology be presented to the September FIC 2022 meeting.  **Warneford Foundation Steering Group Minutes**  The Chair suggested to the Committee that this action that had served as a useful reminder, helping to ensure that adequate consideration is given to transport proposals when the planning proposal is submitted. The Committee agreed that this action now to be transferred to the Warneford Project Group workplan.  The Committee noted that the following action was being progressed:   * 9(b) Capital Programme Sub-Committee.   The Committee noted that the following actions were completed or were on the agenda:   * 15(b) Acquisition & Disposal Policy for Land and Property; and * 4(b) Oxford Pharmacy store. |  |
| a  b  c  d  e  f  g  h | **Employee Systems development Project**  The Head of HR Systems and Reporting presented paper FIC 38/2022, Employee Systems Development Project with supporting documents in the reading room (**RR**) appendix FIC RR/App 21/2022 accepting them as read.  The Head of HR Systems and Reporting gave a summary overview of the project plans. She informed an external consultant had been engaged and they had recently commenced a strategic review of the Trust’s HR systems in support of providing the Trust with an options paper that would include a high-level business case and strategy for HR systems for the next 5-7 years. There were currently 12 different HR systems holding employee data that did not integrate efficiently and the Learning and Development portal system was included in this. The strategic overview of the systems would provide solutions in the provision of a more joined up system to improve data. The plan was for the business case to be presented to the Executive Management Committee (**EMC**) at the end of September that year and for investment matters to be presented at relevant Committees following that.  The Chair referred to further investment being required around additional licences being needed mentioned in a supporting paper. The Head of HR Systems and Reporting replied additional licences would not be required until options were considered following the review, and that there would be a period of change whilst there was consolidation of systems. She added a current risk that was being addressed was the ‘new starter’ document management system that was currently being re-built as part of a legacy project and this mitigation would suffice for an interim period until new solutions were in place.  The Trust Chair remarked that given HR system requirements would be broadly similar across trusts he questioned as to why there was not a central system template provided by one of the specialist divisions of the NHS as if they did exist it would negate having to undertake this type of activity. The Head of HR Systems and Reporting concurred with this view, highlighting the only national system for trusts was the Electronic Staff Record (**ESR**) system, a workforce system, that was about to undergo a transformation that should improve the functionality of the system. The e-roster system pricing was impacted by one dominating supplier in the market. She added decisions made would be attuned with Buckinghamshire, Oxfordshire, and Berkshire West (**BOB**) Integrated Care System (**ICS**), and changes for ESR with the National People Plan.  The incoming Chief Finance Officer raised the point that the proposal focused on staff records, and there was no reference to; posts, establishment, temporary or agency staff and suggested for there to be control objectives embedded for these in the plan. The Head of HR Systems and Reporting replied these were in scope and a workshop was planned to look at requisitions and workforce planning, and as there was not a joined-up system currently it was challenging to manage budgets versus vacancies. It was noted recruitment for temporary staffing was included in the Workforce Management System.  The Director of Finance outlined the outputs picture gained from the strategic review would detail all existing systems and scope, with option appraisals. He stated the process would be expensive and the first step was the consolidation of requirements. There was an acceptance that ESR would be the repository of data with other systems linked to this to integrate with overall systems in the NHS.  It was agreed for an update to the November FIC 2022 meeting following presentation at EMC at the end of September 2022.  **The Committee noted the report and future update.**  *The Head of HR Systems and Reporting left the meeting.* | **SB/**  **CDS/MW**  **SB/**  **CDS/MW** |
| a  b  c  d  e  f  g  h  i  a  b  c  d  e  f  g  h  a  b  c  d  e  f  g  a  b  c  a  b  c | **Review of current financial performance:**  **a) Summary of YTD financial position - to include financial Integrated Care System (ICS) update**  **b) Financial Forecasting**   1. **FY23 Financial Plan** 2. **Review of capacity to manage aggregate financial risk (including utilisation of reserves and risks and opportunities not included in the current forecast)**   The Deputy Director of Finance referred to paper FIC RR/App 22/2022, Finance Report May 2022 (Month 2) FY23 provided in support of the item, and presented paper FIC 39/2022, FIC FY23 Plan (updated).  The Deputy Director of Finance stated reports available were for M2 as M3 had only just closed with figures not yet formally available. He reported there was an anomaly between the Trust internal ledger plan and externally reported figures to NHS England. This was driven largely by the holding of reserves from M12 FY22 being held for payments, such as for the agenda for change, with M2 generating a £1.9 million surplus at £0.1 million favourable to plan, rather than the deficit forecasted. For M3 he reported there was a £1.1 million surplus with £1.8 million adverse to plan.  The Chair drew attention to the reduction of Covid-19 funding as it represented a significant financial risk, given the downward trajectory of Covid-19 funding over the year. The Deputy Director of Finance stated that reduction in costs were unlikely to track the same trajectory as the income reduction, potentially requiring additional support and that tracking for costs was being worked through and would be included in future reporting. He informed the Committee that work was in progress to review risks, opportunities, and mitigations with the revised business plan.  The Deputy Director of Finance stated all Directorates were in the same position in being in a worse off position in comparison reporting to the previous year as FY22 would have included larger amounts of Covid-19 funding. The current performance for: Bucks was a deficit position; Oxford was sound with investment off setting historical issues; and Community Services had a large deficit at £1.3 million that had increased to £3.0 million for M3. All the Directorates were challenged in making operational changes. He informed the current run rate for in-patient services was over £5.0 million and was now being driven by a different clinical model to pre-pandemic and any changes would need to be considered as a wider system piece.  The Deputy Director of Finance informed all providers within BOB had been required to re-submit revised balance sheets for FY23 plans as part of the process to enable BOB to receive an additional £37.5 million of funding. The additional funds had been distributed mainly to the ICS, Clinical Commissioning Groups (**CCGs**) and some providers. He updated the position regarding a funding gap of £5.7 million from BOB for the Mental Health Investment Standard (**MHIS)** remained unresolved and would result in the Trust not having adequate funding for all the investments BOB had requested the Trust to make in mental health provision. Additionally processing had commenced for the £3.5 million due to the Trust from a contractual issue with NHS Specialised Commissioning. The deficit plan had been adjusted down by £1.3 million to £9.2 million owing to the receipt of monies from the additional money into BOB, and as part of the ICS deficit plan an additional non-recurrent Cost Improvement Programme (**CIP**) figure had been added. He highlighted if the two contracting issues were removed the position would be a surplus.  The Chair commented that he had had a conversation with the Director of Finance prior to the FIC meeting about being cautious, given the challenges for FY23 and potential optimism bias. He reminded the Committee the underlying position at the beginning of the financial year had been the continuation of a small recurring deficit and, as he saw it, there were two significant financial challenges running in parallel this year. Firstly, the traditional challenge to make cash releasing efficiencies to compensate for what is fundamentally the annual discounting of the NHS trusts’ service income by the Department of Health/HMT. Alongside this challenge is the requirement to withdraw the additional staffing and other resources that had been made available to clinical teams on the back of non-recurrent Covid-19 funding, which is now being reduced. This represented a psychological challenge, as much as a financial one. It is essential that staff continue to have the confidence that they have sufficient resources to continue to operate services and are comfortable with the level of clinical risk they are managing. He stated that the default position at year end for FY23 could easily be an increased deficit, as budgets reflected the target for savings and not the actual savings plans that are in place. He reminded the Committee that, currently, there were not full saving plans in place to match the savings targets built into budgets. He added that the need to set a planned deficit, due to the ICS and NHE funding errors, was frustrating but should not distract the Trust from managing to its budgets. He commented that, as mentioned at the previous Committee by the Trust Chair, it is essential that the current year’s financial position is described to staff in a factual way, with consistency, and constructively, to help engage their understanding and support.  He summarised that FY23 would be a tough year, however there were also many positives arising from the changes that had been introduced in response to the pandemic, and many of these could be turned these into enduring benefits. The Director of Finance echoed the points made by the Chair and mentioned the Deputy Director of Finance was working with both the Executive Managing Director for Mental Health, Learning Disability & Autism and Executive Manging Director for Primary, Community, & Dental Services on areas of spend and putting in place plans to progress reductions as reductions in capital would have an adverse effect on wider systems. The position being if savings were not made transformation money allocated for the development of services would end up supplementing the delivery of existing services, and that this was a common situation across all providers in BOB. He informed work was being undertaken with teams to manage a realistic CIP rate with an overall plan to build up contingencies to off-set risk in CIP, and Covid-19 reduction money, to manage non-current monies going forward for the next financial year. He informed there was currently £22.0 million sitting in BOB against unallocated risk. The Trust Chair confirmed his agreement in the two areas affecting the financial position for FY23 and posited changes in the government could additionally confront the Trust and BOB with major budgetary issues around pay and MHIS and there would need to be consideration in how to manage this if this was the case.  The Committee discussed the current position noting: the FY23 plan included a nationally mandated 2% pay uplift of which the Trust was unable to go outside of the agenda for change framework and contingency planning was in place against possible industrial action; the position regarding MHIS had not yet been achieved in delivery of the principle of MHIS by BOB who were requesting double the investment in services than the £5.7 million uplift threshold and this standard would need resolving for future years to ensure accurate accountability in delivery of services against funding; an analysis of the allocation of funding and benchmarking was being undertaken in order to readdress the balance for the next financial year in the accuracy of the baseline commissioned funding via the embryonic Integrated Care Board (**ICB**); and the importance of CIP in the ability to demonstrate effectiveness with monies being received and work on strategic matters would be supported by the Executive Director for Strategy and Partnerships.  **The Committee noted the reports and updates.**  **c) Productivity Improvement Programme (PIP) Update to include:**  **i) Productivity Improvement Programme update**  The Executive Director for Digital and Transformation presented paper FIC 40/2022, Productivity Improvement Programme (PIP) FY23 M2 Update. He informed £2.0 million of the Trusts reserves had been applied as CIP savings, however the overall savings remained at £2.0 million for FY23. It was acknowledged it had been a slow start with £454,000 savings being achieved at the end of M2 which was a significant way off plan.  The Executive Director for Digital and Transformation stated that in terms of the PIP structure there was engagement from the Directorates and Corporate Services to implement savings and that an assigned lead director for each area in the Trust was in place to work with the Service Change and Delivery team to identify areas for possible improvement and to generate plans. There had been time constraint pressures raised by the directorates, as covid numbers were rising, and the Service Change and Delivery team were supporting the directorates in moving forwards with reviewing potential options and plans for savings. He informed there would be a series of workshops over the next few months that would look at saving opportunities, not just for in year savings, but would involve conversations around a longer-term approach in making cost savings.  The Executive Managing Director for Mental Health, Learning Disability & Autism mentioned he was working with the Deputy Director of Finance to establish how to make the best use of MHIS. He mentioned there had been some rigour lost around cost savings and as he understood it there was not a strong culture in the organisation around this and for a methodical approach to be employed to identify what possible non-current savings could be made this year for recurrent savings into next year if possible. The Executive Director for Digital and Transformation expressed it was challenging from the community service perspective as there was a history of historical underfunding, of £10.0 million, and as part of manging the programme would be managing conversations around finding savings in clinical services in a system that was demanding more. The Director of Finance added alongside that there was still the underlying issue to improve productivity year on year as a continuous improvement trajectory irrespective of pressure. Focus was required on the productivity metric to ensure balance in messaging in reducing costs and money to improve services. The Executive Director for Digital and Transformation added the changed approach of operational ownership of budgets with support from the Service Change and Delivery team was supported by Directorates and this would assist in messaging challenges.  The Chair commented again that it would be important to employ a consistent, realistic narrative for staff, while demonstrate the appreciation of challenges staff face in making savings . However, it also needed to be made clear that the Trust had to work within a relatively fixed resource envelope to help strengthen the resolve for savings to be made, wherever possible. He referenced the proposed deployment of £2.0m of reserves to reduce the savings target. He challenged the treatment of this as a saving and said his preferred approach would be for the savings target to be brought down by £2m and for budgets to be adjusted, where appropriate. The Executive Director for Digital and transformation informed this change was already in hand. The Chair reiterated the importance of staff perceptions. In-year changes to targets or new corporate savings have the potential to send a misleading message to staff about the importance of delivering planned savings. Given the dynamics and risks of the current year’s financial position, it is essential that all such changes are undertaken in a transparent manner and with a consistent narrative provided to staff.  The Trust Chair said the basis of comparing costs with other trusts was not particularly sound. However, as the Trust’s reference costs benchmarked as adequate, securing greater productivity was a problem. He outlined that productivity was doing the same at less cost, or doing more at constant cost. The current savings plans were a mixture of: cost savings, budget reviews, and reducing input costs; and to some extent trying to address productivity issues in services. To address productivity it would be necessary for clinicians to be in the same place as the finance team and to believe that there were ways in which patient services could be delivered better, at a lower cost. This was “a big ask”. He acknowledged the useful, but marginal, cost improvements outlined in the supporting paper and suggested that, in looking ahead, it would be prudent to be honest about the level of genuine productivity improvements.  The Executive Managing Director for Mental Health, Learning Disability & Autism said the key task was to gain control coming out of the pandemic. There needed to be a better assessment of demand and capacity to disseminate to teams. An overarching issue was delivering productivity improvement with a large temporary workforce in place. The Chair added it was important to remain open to all opportunities, rather than solely focus on those through “the agency portal” and that the Trust must continue to look for ways to improve the way staff time is used over the working day, week and year.  Philip Rutnam, Non-Executive Director stated there were many aspects to pursue in defining, scoping, and in how to relate in reducing agency costs. He suggested in the importance of improving productivity and cost efficiency for there to be a meaningful consistent narrative across the organisation throughout the year to foster encouragement and the opportunity to ultimately make services better. This was the right approach and outlook for public finances in the likelihood of future stringency and austerity ahead and the Trust would be better placed in developing plans for service transformation and optimising the use of resources.  **The Committee noted the report.**  *The Director for Service Transformation and the Head of Property Services joined the meeting.*  **ii) Agency costs update**  The Director of Clinical Workforce Transformation presented paper FIC 41/2022 Agency Management reporting that the impact of interventions was beginning to be seen from the previous year however there were mixed results:   * Medical agency – spend was higher than for May last year driven by a significant increase in medical spend; * Nursing agency – increase of £168,000 in comparison to last year as there had been a significant increase in staffing owing to clinical safety in the community mainly for district nursing; * Admin and Clerical - had seen a reduction as resources brought in for Estates was currently not being used; * 8 Long lines of agency – identified by the ‘Improving Quality Reducing Agency’ (**IQRA**) programme had cost savings against them; and * International Recruitment – had been successful the previous year and was on plan for the current year but the national delay in the availability of OSCE exams was adding pressure.   The Director of Clinical Workforce Transformation stated the IQRA had achieved understanding in how to close workforce gaps. Positive aspects of the programme were there were now zero vacancies in community hospitals and a 50% reduction in agency spend in the current financial year to date, however this did not take into account acute work. He informed there was a re-launch of Safe Care from a workforce planning perspective.  The Director of Clinical Workforce Transformation informed a paper in collaboration with the Chief Medical Officer had been presented to a recent EMC meeting on the significant predicted increase in medical spend of £3.0 million owing to a 71% increase in consultant hours and 33% increase for Specialist Doctors and included the significant rise in the average pay rate compared to the previous year. He confirmed agreed actions following the EMC were to review the funding establishment, budgets, finance and current supply with findings to be reported back to EMC.  The Director of Clinical Workforce Transformation informed that from a supply control perspective it had been identified the Trust was the only trust in BOB that did not have a direct engagement programme that meant the Trust had lost the opportunity to reclaim VAT reduction for the last year. He informed discussions had taken place with relevant parties to generate an option appraisal for a non-disclosure agreement with an agency to achieve revised pricing rates that would give the opportunity to implement a direct engagement programme.  Philip Rutnam enquired what action was being taken around the £24.0 million agency spend in mental health and community settings. The Director of Clinical Workforce Transformation informed £9.0 million savings were estimated for the current year on agency savings. The initial focus had been on agency usage for inpatient settings, with work completed under the IQRA programme establishing the workforce plan. A programme was being progressed for other settings with an estimation of 2.5 years to close the gap. He outlined the emphasis and movement following the work completed under the IQRA piece of work had been in reducing the significant high-cost lines of agency for nurses in in-patient settings. Work was underway in: exploring options to enhance fill rates via the Trusts internal bank of staff currently at 35%; generating an insource, outsource model; and engagement with the Trusts workforce in the project. The Trust Chair commented it was indicative that at the last Medical Advisory Committee there had been no awareness of the IQRA programme and it would be necessary for this to be remedied for all parties’ assent to the reducing agency programme. The Director of Clinical Workforce Transformation replied a Medical Staff Group as part of the IQRA programme had been set up, as an action following the recent presentation at an EMC meeting, with an initial meeting of the group that week.  The Director of Finance asked for context around the fill rate from the Trust’s internal staff bank, and what actions were being taken to reduce and expedite the overall use of temporary staff. The Director of Clinical Workforce Transformation informed the Trust was an outlier for internal temporary fill rates, with other rates across BOB performing at 70%. Work from the IQRA programme had established the workforce gap and that the 5–7-year plan and work was focusing on: closing the in-patient nursing gaps; maintaining community hospital staffing levels; an in-patient staff plan for forensics; and plans for community and mental health teams. He added that the journey for the Healthcare Assistants employed to become a registered nurse was 7 years, and that there was a known element in the times of usage of temporary staff shifts that was being reviewed.  **The Committee noted the report.**  *The Director for Service Transformation left the meeting.*  **iii) Out of Area Placements (OAPs)**  The Chair introduced paper FIC 42/2022, Out of Area Placements update report noting Infection Prevention Control considerations were now being relaxed on wards generating the expectation for improvement in the underlying issues and matters relating to the difference between the physical capacity and workable capacity.  The Executive Managing Director for Mental Health, Learning Disability & Autism confirmed that the trend in the reduction of OAPs continued to show improvement and that available beds were almost up to pre-pandemic levels. However two large wards in the Trust had been reduced by a combined total of 5 beds, for safety and was now in line with other Trusts, giving an underlying deficit of 5. He detailed over the past several months OAPs had dropped from 24 to 9 which had arisen from changes and efficient timely discharge management of OAPs and work would be on-going to sustain and improve on this position. However he noted that demand was continually high for services and the overall position was being controlled as best as possible.  **The Committee noted the report.**  **d) Working Capital and Cash flow**  The Chair introduced papers at FIC RR/App 23/2022 Cash Management Report and Forecast to 30 June 2023 and Working Capital position at the end of M02 in the current financial year. He commented although the cash position remained strong coming out the previous financial year, there was no room for complacency.  The Director of Finance highlighted with the merging of the 3 CCGs into the ICB/ICS close monitoring was in place to ensure payments were completed on time as these had now moved back to the 15th of the month from the 1st, and this had impacted in the reduction of Public Dividend Capital payments.  **The Committee noted the working capital and cashflow updates.** |  |
| a  b | **Estates Strategy**  The Executive Director for Digital and Transformation and the Head of Property gave an oral update of early oversight of a transformational plan for the Trusts estate and operation of services.  **The Committee noted the presentation.**  *The Head of Property left the meeting.*  *The Committee took a 5-minute break.* |  |
| a  b  c  d  e  a  b | **a) FY23 Capital Programme Plan and YTD spend against budget – to include Capital Plan Proposal for ratification in RR**  The Director of Finance presented paper FIC 44/2022, FY23 Capital Report detailing the following headlines: plan for the year £14.4 million; plan to date £0.8 million; spent £0.5 million; and behind by £265,000 that mainly related to the Paediatric Intensive Care Unit (**PICU**) build, operational estates, and IT; and that now the financial envelope had been finalised with BOB the Trust should be able to claw back monies.  *The Assistant Trust Secretary joined the meeting.*  The Director of Finance clarified for the Chair that funding allocated for a high-risk projects related to the backlog of outstanding maintenance issues. These were all risk assessed and completed in priority order with risk mitigations being put in place if necessary.  The Chair enquired if there would be any additional cost pressures regarding the PICU. The Director of Finance responded it was a tight plan with a risk of running over at £1.6 million, although the previous year had been an underspend of £1.1 million owing to delays. He said it was likely there would be delays and a £1.6 million risk was manageable, however any more than this and monies would need to be off set via the project programme.  The FY23 Capital Plan proposal had been ratified at Item 2.  **The Committee noted the report.**  **b) Capital Projects update**  The Executive Director for Digital and Transformation presented paper FIC 45/2022, Capital Projects Update taking the report as read. The main things of note were: the FY23 Capital Plan had been signed off; timeline in ordering materials for the PICU project had taken place; volatility of the marketplace; and importance being placed on the backlog in priority of maintenance works.  **The Committee noted the report.** |  |
| a  b | **Psychiatric Intensive Care Unit (PICU) update for Child & Adolescent Mental Health Services** **(CAMHS)**  The Executive Director for Digital and Transformation presented papers FIC 46/2022, Update on the build of the CAMHS PICU at the Warneford Hospital and Review of the lessons learnt from the CAMHS PICU Project were taken as read.  **The Committee noted the reports.** |  |
| a  b  c  d  e | **Warneford Park Project Board Update**  The Executive Director for Digital and Transformation gave an oral update on progress of the Warneford Park Project. He stated the project was in the closing stages of the conditional option agreement with project partners, and this could be attributed to Philip Rutnam, Non-Executive Director and Chair of the formalised Warneford Park Project Board in the agreement of principles at the outset, with progress now being made into the detail.  The Executive Director for Digital and Transformation informed work was in progress with lawyers to finalise planning consent duration and variations in planning. The agreement was close to sign off with both the other parties taking the appropriate steps for delegate powers to close on the agreement. He added the other parties involved were requesting for confirmation that the Trust had the legal authority to enter into the agreement that was being sought, and an updated report would be presented to the Board at its meeting the following week. Philip Rutnam expressed it was a team effort and not to underestimate the scale of the task in any respect.  The Director of Corporate Affairs and Company Secretary gave recognition to the efforts of the Director of Finance in the work he had completed on the project. She added it would be prudent for the Executive Director for Digital and Transformation to update the paper previously presented to the Board by the Director of Finance on the potted history of the project for governance and assurance for the Audit Committee in the understanding of any changes in agreements since the last approved version by the Board.  The Chair concluded that delivery of the project would be a long-term project with much still to negotiate. However there was now shared ambition and good working relationships across the partnership and he thanked the Director of Finance for the determination he had shown in helping to get the Trust to the current position.  **The Committee noted the report.** | **MW** |
| a  b | **Capital Programme Sub-Committee Minutes of Meetings**  The Director of Finance presented paper FIC RR/App 26/2022 Capital Programme Sub-Committee (**CPSC**) minutes from 10 May 2022 that were taken as read. He commented the CPSC was currently reviewing its Terms of Reference following on from the lessons learned from the PICU project, highlighting an important aspect was the early identification and escalation of issues when a project was falling behind plan and for this to feed up into the FIC.  **The Committed noted the minutes of Capital Programme Sub-Committee and update.** |  |
| a  b  c  d  e | **Provider Collaborative Performance update**  The Director of Finance presented the quarterly update, and end of year position for Provider Collaboratives (**PCs**) referring to paper FIC 43/2022, Provider collaborative FY22 & FY23. He outlined the operational duration of the three PC contracts and the financial position for each ending on 31 March as:   * Forensic Services: operational for 11 months achieving £1.3 million favourable; * CAMHS: operational for 12 months achieving £0.7 million favourable; and * Adult Eating Disorder: operational for 6 months achieving breakeven.     The Director of Finance referenced CIP and demand and capacity discussions earlier in the meeting and stated that lessons could be learned from the PCs as they were more comprehensive in aligning money and activity, and in reviewing longer term capacity as a group of providers, and this was an aspect the Trust was not so adept at.  The Director of Finance noted the tariff and growth for the FY23 plan had increased to 2.4% and 1% respectively. This was being worked through with partner providers as to how to incorporate within the year.  The Trust Chair enquired if similar reporting would be available for the recent PCs entered into with Oxford University Hospitals (**OUH**) for, end of life care, and urgent community response. The Director of Finance responded that the existing PCs were different as they were contractually based with a defined set of resources and requirements that had be pooled together. For the PCs entered into with OUH it remained work in progress to clearly define resources and service scope more formally into a joint vehicle for delivery.  **The Committee noted the report.** |  |
| a  b  c  d | **Oxford Pharmacy Store (OPS) Performance Report – update on latest performance and FY forecast**  The Chair introduced the item with supporting papers at FIC RR/App 24/2022), outlining OPS were a trading subsidiary of the Trust. The OPS team had demonstrated competency and agility in their response to the impact of the pandemic on the business and were pursuing the opportunity to expand the business requiring investment in space and facilities.  The Director of Finance reported that OPS performance was going to plan and owing to the very competitive landscape costs and margins were lower and were dependant on the drug mix in the final aggregate margin achieved. He clarified that the paper submitted was seeking on-going support for the OPS team topursue the evaluation of their expansion proposals. In response to a question about the funding of new facilities, he informed the Committee that OPS had historically funded smaller capital investments out of its revenue. However, this was a more significant investment, at £0.5 million, and it was yet to be established if this could be done. He commented that negotiations were taking place with a landlord for a particular site for OPS to take ownership of the reconfiguration of the building, which was considered to be a more cost effective option. He informed FIC that a full business case would be brought to the Committee for formal approval in due course. The Chair added it would be important that the incoming Chief Finance Officer provide a narrative alongside the business case, when it comes to FIC, confirming that the costings, projections and risks are assessed as complete and robust.  *The Sustainability Manager joined the meeting.*  The Chair expressed that, in principle, he was in support of the proposed expansion of the facility. The Director of Finance stated that the take-up of the aforementioned lease would not be his preferred option. However, the priority was the expansion of the business and this represented an opportunity for OPS to improve the logistics and efficiencies in the NHS, within BOB, and to think beyond this for future sponsorship feasibilities. He informed that the Chief Pharmacist & Clinical Director for Medicines Management was on the BOB Pharmacy Strategy Group supporting enabling oversight and support for opportunities.  **The Committee noted the report and AGREED with on-going support for OPS expansion developments.** |  |
| a  b  c | **Information Management & Technology (IM&T) update**  The Executive Director for Digital and Transformation presented paper FIC 48/2022, Information Management and Technology (**IM&T**) update giving an update on priority areas:   * Electronic prescribing – this had gone live on the first pilot ward the previous week with feedback from staff being really positive, and would soon be rolled out into all the mental health inpatient wards; * Refresh of the Trusts Wi-Fi network – there remained a few problem areas and equipment were due to be delivered to instal in order to bypass the bottleneck pressure at OUH internet connections found on testing the system, and this would then be replicated for the network across the Trust; and * Community Services – Electronic Healthcare Record System (EMIS)– this project was a priority and work was accelerating for the first phase to go live in November 2022, and this would be the start for the transformation from a paper-based system to digital.   The Executive Director for Digital and Transformation updated in addition to the major projects the following projects were progressing: True Colours project, the first phase being estimated to go live that August; and Orcha, a tool to provide assurance in the use of clinical applications. Additionally Clinicians in the Trust as part of the Trust’s collaboration with the University of Toronto were developing an application to identify suicide markers in support of the reduction of the risk of suicide.  **The Committee noted the update.** |  |
| a  b  a  b  c  d | **Information Management:**  **a) Information Management Group (IMG)**  The Director of Finance presented paper FIC 49/2022, Information Management Group Highlight and Escalation Report, referencing known risks were being adequately managed. The outstanding issue was to ensure that staff mandatory information governance training was required to be at 95% by that Thursday, currently at 93%, and proactive steps were being taken to achieve this.  **The Committee noted the report.**  **b) ICO Audit – progress update on audit recommendations**  The Chair introduced the item, paper FIC 50/2022, Information Commissioner’s Office (**ICO**) Audit – progress report, explaining the Committee had taken an interest in monitoring progress against the action plan raised by the ICO audit and that the Audit Committee would be monitoring the progress made through FIC’s work.  The Director of Finance informed the ICO audit had gone well and had been a very through and comprehensive audit looking at the detailed mechanics of how managing information governance and assurance of actions were being completed in line with the action plan. He detailed there had been 31 recommendations at various levels, 26 of which were now complete, with 5 still in progress. An example of a remaining action was consolidation of a database for data processing/sharing agreements to satisfy regular review to ensure relevant terms were in place, and additional resource was in place to clear remaining actions quickly.  The Executive Director for Digital and Transformation added it had been the most thorough audit in his experience in demonstrating evidence to support adequate protection. He gave acknowledgement to the Director of Finance, in his role as Senior Risk Owner, for excellent leadership in information governance and in the achievement of a sound audit. The Committee additionally recognised the on-going diligent work by the Head of Information Governance.  **The Committee noted the report.** |  |
| **14.**  a  b  c  d  e  f | **Oxford Health Intellectual property in relation to Research & Development**  The Chair introduced paper FIC 51/2022, Intellectual Property Management Process (**IPMP**) commenting the paper provided a helpful outline processes for the identification and arrangements for Intellectual Property (**IP**) and detailed revenue sharing arrangements.  The Head of Research and Development outlined background information for the Committee for IP in relation to research and development for Oxford Health FT Trust (**OXFT**). The Framework Intellectual Property Agreement (**FPIA**) had been signed in 2018 and was a tripartite agreement to ensure there was a process in place to manage any IP generated between: OXFT; Oxford University Innovation (**OHI**) as the technical transfer company with the role in the identification of IP; and the University of Oxford (**UoO**) being the IP Rights Management team for the organisation of revenue sharing letters and assignments. The FPIA had been driven as a requirement by the National Institute of Health and Research, and the Biomedical Research Centre who supported all contracts for grants and hosting of programmes that included the Applied Research Collaboration and involved several UoO departments.  He highlighted in this role as Head of Research and Development he attended monthly meetings with OUI, and regular workshops where potential IP could be: identified; ascertained if IP; if other organisations had a call on it; how could the IP be used; and offered the opportunity to see the portfolio of work and programmes. If OUI agreed any IP was worthwhile then funding arrangements would follow. He informed IP was governed in accordance with the National Institute of Health Research (**NIHR**) and were seen as the main contractor in arrangements and it was in the Trust’s main interest for funding to be returned back to Trust and would be subject to the NIHR weighted revenue sharing scheme. He added moving forwards if the BRC were successful with their bid then the FPIA would need to be reviewed.  *The Executive Director for Digital and Transformation left the meeting.*  The Head of Research and Development clarified questions raised by Philip Rutnam: that currently all research was NIHR funded and that the NIHR under the FPIA split revenue between OXFT and OUI; and information contained in the paper would be a good starting point in pulling together the track record of IP research developed by research in the Trust to build a narrative of the contribution the Trust is making to economic and social benefit.  The Director of Finance acknowledged the clarification for the flow of IP work by the Head of Research as it was a very complex area. He pointed out two areas: that OXFT were guardians of NIHR for investment into research and for continued oversight of the current high percentage of monies for research through UoO; and for clarity in OHFT clinical contracts as to ownership of IP when developed so it would be attached to OXFT, and as investment increased in the BRC this would become more important. The Chair commented the area of research was an important area for the Board and that IP as a perpetuity of research and development should be understood.  **The Committee noted the report.**  *The Head of Research and Development left the meeting.* |  |
| **15.**  a  b | **Treasury Management Annual Report**  The Treasury Management Annual Report paper FIC 52/2022, Treasury Management Annual Report FY22 would be presented for approval at the next FIC meeting.  **The Committee noted the update.** |  |
| **16.**  a  b  a  b | **Procurement:**  **a)Procurement Status update**  The Committee accepted paper FIC 53/2022, Strategic Procurement Update as read.  **The Committee noted the report.**  **b)Single Action Tender Waiver update**  The Committee accepted paper FIC 54/2022, Single Action Tender Waivers 2022/2023 01 April to 31 May 2022 as read.  **The Committee noted the report.** |  |
| **17.**  a  b | **FIC Annual Report to include: Terms of Reference and workplan**  The Chair introduced papers at FIC RR/App 27/2022 incorporating papers: FIC Annual Report 2021/22; FIC overview plan for 2022 – 23; and FIC Terms of Reference (**ToR**). He drew the Committee’s attention to the revised ToR that was for approval, mentioning the ToR were open to review when deemed necessary in addition to the annual review.  **The Committee APPROVED the FIC Annual Report and APPROVED the revised FIC Terms of Reference and noted the update for the FIC workplan.** |  |
| **18.**  a  b | **Policies:**  The Chair introduced policies for approval:i)Acquisition and Disposal Policy for Land & Property, paper FIC RR/App 28/2022; and ii)Budgetary Control Policy paper FIC RR/App 29/2022.  **The Committee APPROVED: i)Acquisition and Disposal Policy for Land & Property, and ii)Budgetary Control Policy.** |  |
| **19.**  a  b  c  d  e | **Operational and Strategic Risks: Trust Risk Register (TRR) and Board Assurance Framework (BAF)**  The Chair introduced paper FIC RR/App 30/2022, Operational and Strategic Risks: Trust Risk Register (**TRR**) and Board Assurance Framework (**BAF**) update. He reminded it was the role of the Committee to reflect on risk and FIC specific strategic risks, of which there were 5, and operational financial risks. He asked the Committee to confirm it was content with the current risk ratings. He advised the Committee that he would notify the Board of any proposed changes at its meeting in the following week.  The Chaired decided that, given the meeting time constraint, the planned deep dive into the BAF 3.13 (on the Trust’s impact on the environment) be deferred to the September FIC meeting, in order to provide appropriate time for the item.  The Assistant Trust Secretary added that it would be relevant for the Committee to give some attention to BAF 3.13 (on the Trust’s impact on the environment) especially given the statutory duty in the new Health and Care Act 2022 for NHS FTs to have regard to the need to contribute towards compliance with both the Climate Change Act 2008 (especially on the UK net zero emissions target), and the Environment Act 2021 (especially on environmental targets), so the Trust would need to ensure that its decision-making also contributed to discharge of these duties, in accordance with guidance from NHS England.  It was decided for discussions around a potential draft risk on major capital projects to be taken offline with an update to be provided at the next FIC meeting, at which point any overlap with updated wording around an existing risk BAF 3.7 (on ineffective business planning) could be considered.  **The Committee noted the report.** | **HS/KR** |
| **20.**  a  b | **Any Other Business**  The Chair reminded all it was the last FIC meeting for the Director of Finance prior to his retirement at the end of July. The Chair commented that, in the 5 years he had worked with the Director of Finance, he had demonstrated great determination and passion in his desire to improve Trust delivery, not least for patients. Additionally, he wished to recognise MMcE’s contribution to the Warneford Foundation Project. He had shown great tenacity, while respecting partners, and a determination to safeguard the Trust’s interests.  The Director of Finance thanked the Chair and stated that the Trust was in a sound financial position and that work would need to continue to; conclude the outstanding contractual matters and strategic funding solution, and that of the drive to sort out product improvement plans remained a top priority. |  |
| **21.**  a | **Brief reflections on today’s meeting?**  There were no points raised for discussion. |  |
| The meeting closed at 12:14.  **Date of next meeting**: Tuesday 20 September 2022 09:00 -12:00 via Microsoft Teams virtual meeting. | | |