

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

**Finance and Investment Committee**

**RR/App 12(i)/2023**

(Agenda item: 27(d))

Minutes of a meeting held on

Tuesday, 22 November 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**) |
| Philip Rutnam | Non-Executive Director (**PR**) - *part meeting* |
| Heather Smith | Chief Finance Officer (**HeS**) |
| Martyn Ward | Executive Director for Digital and Transformation (**EDDT/MW**) |
| **In attendance:** |  |
| Amélie Bages  Katrina Anderson | Director of Strategy & Partnerships (**AB**)  Service Director Oxon & BSW Mental Health (**KA**) – *part meeting* |
| Dr Nick Broughton | Chief Executive (**NB**) – *part meeting* |
| Mark Byrne | General Manager Oxford Pharmacy Store (**MB**) - *part meeting* |
| Ben Cahill | Head of Strategy (**BC**) - *part meeting* |
| Simon Cook | Warneford Park Programme Director (**SC**) - *part meeting* |
| Marie Crofts | Chief Nurse (**MC**) - *part meeting* |
| Matt Edwards | Director of Clinical Workforce Transformation (**ME**) - *part meeting* |
| Charlotte Evans | Executive Assistant (**CE**) (Minutes) |
| Peter Milliken  Paul Pattison | Deputy Director of Finance (**DDoF/PM**)  Finance Business Partner (**PP**) – *part meeting* |
| Kerry Rogers | Director of Corporate Affairs & Company Secretary (**DoCA/CS/KR**) |
| Andrea Shand | Associate Director Child and Adolescent Mental Health Services (**AS**) - *part meeting* |
| Hannah Smith | Assistant Trust Secretary (**HaS**) - *part meeting* |
| John Upham | Sustainability Manager (**JU**) - *part meeting* |
| David Walker | Trust Chair (**DW**) - *part meeting* |
| Susan Wall | Corporate Governance Officer (**SW**) (Minutes) |
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| a  b | **Apologies for Absence**  There were no apologies, and it was noted that the Trust Chair would need to leave early.  The Chair welcomed all those present to the Finance and Investment Committee meeting. |  |
| a  b  c | **Minutes of Meeting held on 20 September 2022 and Matters Arising**  The Finance and Investment Committee (**FIC**) minutes of the meeting held on 20 September 2022 were approved as a true and accurate record.  ***Matters Arising***  The Committee noted that the following actions were being progressed:   * 9(b) Capital Programme Sub-Committee (May 2022) – deferred to next meeting February 2023; and * 3(e) & 3(g) Employee Systems Development Project (July 2022).   The Committee noted that the following actions were completed or were on the agenda:   * 14(c) BAF 3.14 Major Capital Projects (September 2022), completed; * 4(b) Oxford Pharmacy Store (May 2022); and * 8(c) Warneford Park Project Board Update – history of the project (July 2022), completed. |  |
| a  b  c  d  e  f  g  h  i  j  k  l  m  n  o  p  a  b  c | **Review of current financial performance:**   1. **Financial report (including Cost Improvement Plans, Costing or Business Area deep dives, Integrated Care System and wider context)**   The Chief Finance Officer presented paper FIC 71/2022, Monthly Financial Report M7 informing cultural progress in terms of transparency and ownership of financial management across the Trust had been made since the last FIC meeting. Supporting information outlined the Trust position and included: full year forecast and a best estimate for the year; consistency in analysis; clear directorate level performance against budgets giving directorate managers and Audit Committee a clearer picture of the nature of the business contributing to the financial position; and a full analysis of risks and opportunities against forecast for the rest of the year that provided a sense of risk appetite in making financial decisions.  The Chief Finance Officer referred to the detail provided for the directorate financials in that it now provided a more in-depth analysis of income broken down into different business areas. This was an interim reporting solution owing to variations in target surplus allocations and budgeting methods employed and was in the process of being resolved in order to present a clearer gross position. The change in reporting, however, provided a clearer line of sight of accountability and was easier for budget holders to understand.  The Chief Finance Officer reported the in-year position was a revenue forecast £3.2 million deficit, £3.0 million better than plan. The improved forecast had been submitted to the Integrated Care Service (**ICS).**  There was £3.0 million on hold for known demand pressures allowing room for discretion but this was not surplus money and there were real opportunities to make differences for patients from one off non-recurrent spending and in reducing waiting lists. The FIC would need to consider the Trust’s position in how far they may be able to support the ICS deficit position as there were opportunities as well as consideration for any risks.  The Chief Finance Officer stated the Autumn Statement had seen additional funding found for the NHS, however the focus had been more on acute and elective recovery. Additional monies did not match inflation or support pay deals and although positive would challenge the long-term position for the Trust.  In terms of planning recurrent run rates and recurrent income were being reviewed to better understand how they balanced to assist with the planning process for the next year and took into consideration non-financial measures and cost and demand pressures arising from the long-term plan around mental health. The Executive Director of Strategy and Partnerships work around annual planning would give a better sense for the next financial year in support of early influence with the ICS, as there had been a shortfall in the previous year.  The Chief Finance Officer referred to the enhanced analysis of contribution and costings for each of the main business areas at M6, noting it was complex as budgets showed direct and indirect costs, not necessarily the overheads, and it would be important to take account of full cost recovery. However, the analysis did show the shortfalls against the main clinical service areas currently being made up with Covid funding which may be reduced significantly or removed which was not the best long-term position for the Trust in setting deficit budgets.  *The General Manager Oxford Pharmacy Store joined the meeting.*  The Deputy Director of Finance stated that feedback from the Committee would be useful on the revised format of the financial report. He reported the Trust was on track to achieve £3.0 million better than plan and this had been factored into, funding for unplanned cost pressures and freed up capital that could be channelled into supporting the backlog of maintenance without impacting the financial position. A positive adjustment of £1.7 million had been gained in adjusting an internal system to support the position of no VAT being added on nursing agency costs. He stated that on balance, taking into consideration known risks and opportunities, the Trust was on target to achieve or better the forecast with there being some flexibility for the last part of the year.  The Deputy Director of Finance reported the Trust was relatively stable, however the ICS were due to meet with the Chief Finance Officer for NHS England (**NHSE**) regarding their deficit position, and the South East (**SE**) region was also underperforming. This position could potentially generate pressure for the Trust as the ICS would likely be required to improve by £30.0 million on their deficit position to around £60.0 million. From a national perspective this would equate to the ICS being underfunded using the formula for Clinical Commissioning Groups (**CCGs**) and supported the historical lower funding received in Oxfordshire and Buckinghamshire.  The Deputy Director of Finance referred to the detailed breakdown around the gross view for directorates highlighting it provided: income for services; non-pay and pay; drivers in variations in directorates; how income was blocked and fixed for services; clearer oversight; and provided more control around expenditure. The provision of Service Line Reporting would be shared at directorate level which was less controllable as it was built on a history of structured contracts and incomes.  The Chair invited comments around the revised format of the financial report and on the financial position and outlook.  The Trust Chair stated the Trust was in a relatively stable position in the short to medium term in the context of the structural deficit outlined. However, the Trust was providing services that it could not afford or was contracted to provide which could be further affected by the structural complications at ICS and region systems. This position might be subject to adjustment if the historical underfunding for mental health was recognised. Of note may be any impact of improvement formulas arising from Patricia Hewitt’s (former Labour Health Secretary) report, who had been commissioned in November to review ICSs autonomy and accountability. It would be beneficial for the Trust to have a better sense of its efficiency and effectiveness as had been reported via an external audit processes.  It was agreed that Philip Rutnam, Non-Executive Director would pass on his comments around the new financial report format by email.  The Deputy Director of Finance in response to the Trust Chair stated that recent information gained from Buckinghamshire, Oxfordshire, and Berkshire West (**BOB**) relating to the average funding per head showed there was a significant under funding gap per head to peer average in funding for mental health in Oxford. It would be straight forward to ask for additional funding as NHSE had been in the process of addressing mental health underfunding for a while, with some additional funding being received that included deflaters which had partly addressed the gap, but was more likely to reduce over a longer period. It was worth keeping in mind that national, political and local priorities had shifted to the acute sector, evident in the press and ICS, so mental health was not getting the exposure or coverage it had previously, and a major challenge would be around contracting to ensure the Trust got the funding it should. In terms of demonstrating efficiency this was via reference costing, a financial indicator on efficiency in which historically the Trust had achieved a good indicator of around 95% efficiency from an index of 100. In the last couple of years the use of agency had increased, and increased agency costs had in turn increased the reference costs, however the Trust indicator remained satisfactory. This aspect was being incorporated into the planning work the Director of Strategy and Partnerships was leading in self-assessment across teams in directorates, across directorates, and BOB. From available national information it showed the Trust performed satisfactorily in demonstrating good value for money in terms of its services.  The Chief Finance Officer stated key planning work was being undertaken with the Director of Strategy and Partnerships on efficiency, productivity, and capacity in how monies were being used. She highlighted more money did not always generate more outcomes as there were a series of capacity restraints being worked to, and it would not be possible to provide everything that was wanted but it would be possible for the Board to report that proper strategic choices had been made and prioritised which was important. Regarding Cost Improvement Plans (**CIPs)** reserves had been used to cover CIP plans in the current year as targets would not be achieved and CIP targets would be reduced for directorates for a smoother start at the beginning of the next financial year so there was a realistic set of expectations for colleagues to manage and work towards. Productivity benchmarks were performing well with the Trust being amongst one of the best performers on this metric, taking into consideration the Trust spent and did more than others. The wider picture moving forward was to focus on things that would benefit everyone in the longer term such as revenue spending on estates maintenance rather than capital, in reducing the likelihood of risk and to improve staff and patient environments. The Chief Executive felt this was a fair but challenging statement as certain assumptions were now being realised such as inflation, pay settlements, reduction in Covid-19 funding and industrial action that would impact. Mental health investment had been protected; however it was clear that the government focus was on acute services for the NHS to maintain progress in reducing the elective backlog, and provision of emergency and urgent care which was of concern as it was unknown how this may play out with the ICS. The Deputy Director of Finance responded to the query raised around the accuracy of the year end forecasts for other BOB organisations for the Chief Executive. The acute organisations took different approaches during planning, and all were in a similar position with the driver of the deficit being a wider national narrative of costs going up for doing the same. Philip Rutnam supported the need for realistic and owned plans around efficiency and cost reduction, and the importance of powerful stories and examples around efficiency should Patricia Hewitt or others of influence visit the Trust. An example was later on the agenda that day at item 13, Child and Adolescent mental Health Services (**CAMHS**) T4 Provider Collaborative, Children and Young People, Hospital@Home Eating Disorders Service.  *The Director of Clinical Workforce Transformation joined the meeting.*  The Chair acknowledged the good progress made by the finance team in support of the revised financial reporting. Regarding the gross versus net position the situation had changed with services no longer being able to influence more directly anymore. The focus was on cost management and in understanding how this related to service management and for this to be explicit in the planning process for colleagues who were running services to understand political interventions and service budgeting in achievement of longer term deliverables. The short-term position was not indicative of the longer-term position. It would be necessary to communicate the Trust was needing to self-fund in the main to support the backlog of waiting lists by working hard to create additional capacity which was not the case for acute services. It was important to be aware of where the Trust sat in the wider field including within the ICS. He stated the budget statement was sound, however if the position on agency was removed it may offer a different view to the position on services as the Trust was an outlier on agency spend within ICS organisations. Referring to the acute backlog it was important to note across the ICS and wider local health system the quality and access of services provided was directly impacted by the wider public sector workforce, with services needing to be at a certain level in order to operate smoothly in delivering effective services, and it would be necessary to ensure that mental health was not pushed below this level. In regard to community services, it was an important area of thought for the Trust to sustain dynamic and modern well-designed community services, both in community hospitals and in the community in delivery of services, and in working better with acute services and other partners rather than finding cost savings.  **The Committee noted the report.**  **b) Working capital, including cashflow (update on latest position and outlook)**  The Chair advised the cashflow position reported in FIC RR/App 39/2022 showed the cash forecast as being currently strong to year end and beyond and noted there was nothing of significance in the balance sheet movements to note. In maximising flexibility, he advised for clear auditing around the movement of capital expenditure to revenue.  The Chief Finance Officer noted there were currently more older debtors than preferred, however year to date payments were better and cashflow was healthy due to the deferred income, however there was risk around whether to defer or not income into the next year.  **The Committee noted the report.** |  |
| a  a  b  c  d  e  f | **Oxford pharmacy store (OPS)**   1. **OPS performance report – update on latest performance and FY forecast**   The Chair referred to the OPS Performance report at FIC RR\_App 40/2022 that noted the in-year trading position and progress the team had made.  **The Committee noted the report.**   1. **OPS Warehouse Business Case**   The General Manager OPS presented papers at FIC 72/2022, Full Business Case to Lease Additional Premises. He outlined OPS were currently leasing a site in Kennington, Oxford until March 2024. Investment had been made into this site to meet operational demands and regulations, however restricted access to the site and lack of space on site limited the ability for further development. Additionally they relied on subcontracted warehouse space from a courier partner in order to meet business demands. The proposed additional premises would support business capacity with room for development. OPS would sustain existing contribution levels and look to increase those once accommodated and fully operational from FY25 onwards. The proposed site would allow: delivery of efficiencies; generate cost savings; mitigate risks; and maximise the use of the Trust estates in increasing effectiveness and output in line with current strategy.  The General Manager OPS stated the proposed site was situated close to the M40 near Banbury. The warehouse was 17,000 square foot with both ground and first floor offices that would accommodate all staff. It was a modern site, recently refurbished with good accessibility. In terms of finances it was a 10-year lease at £162,000 per annum. There would be fitting out expenditure required estimated at £833,000 in FY23 and £182,000 in FY24. As outlined in the Business Case the additional income generated, together with the partnership work with the Department of Health and NHSE, would assist in offsetting capital costs, with a return on investment by the end of FY26. The business case comprised of two phases, the sourcing of additional premises and bringing it online, followed by a full relocation. He highlighted the growth of OPS from a regional to national supplier and the positive impact a full relocation of the business could have on the income and net surplus contribution to Trust finances.  Philip Rutnam commented it was a good proposal, and it would be useful for future investment cases to undertake a ‘stress test’ or ‘sensitivity test’ such as was employed on bigger projects.  In response to the Chief Executive’s enquiry the General Manager OPS confirmed there would be a consultation taking place for staff around the move to Banbury. There were currently, approximately up to 30% of operational staff on site with others hybrid or remote working.  The Chair asked for: confirmation of the approval process of the business case to date; and for clarification around the lease as there had been recent changes to lease accounting rules. The Chief Finance Officer confirmed the Business case had been approved and recommended up by the Capital Programme Subcommittee. She advised NHSE was currently managing leases centrally and the SE Region had confirmed they were able to accommodate the level of additional spend. She advised that as the Trust had not had a case with an upfront lease payment before, and that the financials were near to the approval limits of the FIC that the Business Case be submitted to the Board for approval as the upfront costs should be treated as capital. The Chair felt this made strategic sense for the Board to have oversight of the business opportunity and financials. The committee were satisfied with the project management arrangements as outlined and supported recommendation to the Trust Board for final endorsement.  **The Committee APPROVED the OPS Full Business Case to Lease Additional Premises and noted that final endorsement was required by the Trust Board.**  *The General Manager Oxford Pharmacy Store left the meeting.* |  |
| a  b  c  d  e  f  g  h | **Productivity and Innovation**  **Update on progress:**   1. **Improving quality reducing agency update with focus on financials**   The Director of Clinical Workforce Transformation presented paper FIC 73/2022, Agency Management. He highlighted interventions in play around agency nurses had supported a reduction of £3.0 million at M7 in agency spend compared to the previous year, however the reality was this saving supported the overspend in medical agency provision. Agency spend monthly reporting had been updated in managing accruals on VAT, that had by default been included within the monthly spend on the financial ledger. Data was now aligned and broadly comparable across systems with additional work being undertaken to address reporting for the Mass Vaccination Centres where there was a variance of £1.0 million to be addressed. The position at Month 7 was £764,000 above the NHS Improvement (**NHSI**) target, however there was confidence in the model interventions in place that the Trust would achieve the NHSI agency target by year end. The run rate was coming down with model interventions, including workstreams around medical spend, however cost avoidance would not be realised until January 2023. The Key Performance indicator dashboard methodology had been changed and a revised calculation of the agency rate supported the agency reduction programme as being more successful than planned. From a recruitment perspective, in October, the Trust had been in a good position due to the intake of student nurses from university in August and September, however the expectation was recruitment levels would drop back to below required by the end of financial year.  *The Chief Nurse joined the meeting.*  Points of highlight from the presentation by the Director of Clinical Workforce and Transformation were:   * a continuation in the reduction in grade swaps across all bands at M7 had realised a cost avoidance of £200,000; * off framework spending continued to reduce; * Tier 3 agency had dropped by nearly half, and this had subsequently increased spend in the tier 2 agency within the framework; * retention of staff would become more of a pressing issue over the next 12 - 24 months; * the Chief Executive had requested a review to support the Trust’s decision in whether to become a fully flexible employer as other NHS Trusts had done and it was noted this approach was a success in Milton Keynes where a decrease in absences, vacancies and agency spend had be observed; * there was a higher increase in locality levels spend compared to the last year for M7 predominantly around district nursing services; * there had been substantial recruitment into district nursing services with the recruitment of 14 international nurses, however because of the workforce gap the service was currently operating with 10 agency nurses; * a decision had been made to outsource the Trust’s inhouse bank facility to NHS Professionals following a procurement programme. It was estimated by outsourcing the fill rate would improve to 70% within 12 months with savings of £14.5 million in year 1 on the current agency spend and that a guaranteed volume contract programme would be piloted at the Littlemore site; and * further work was being undertaken in looking at how the Trust could further reduce agency rates and create more engagement within the marketplace.   The Chair raised the issue around locums and was the current approach going to give the traction that was required around locum spend. The Director of Clinical Workforce Transformation responded that the medical spend had been a huge pressure within this financial year. There were two components to resolving this issue; by growing the Trusts internal bank, and the ability to move to a master vender with a direct engagement model. There had been a full review of the medical workforce across the Trust and there was now a clearer position in budgets and workforce alignment, however this work was slightly behind within the community services due to ongoing transformation work. The Executive Managing Director for Mental Health, Learning Disability and Autism said the workforce models were clearer however as an example there would need to be some non-consultant grade doctors maintained for when a consultant leaves as this would offer protection from big overspends in the future.  Philip Rutnam asked if thinking was beyond the coming year as the structural shift in the level on the reliance of agency was a major change programme that would need to be embedded across the organisation and reflected in the Trust’s annual plan for the next financial year and beyond. The Director of Clinical Workforce Transformation responded from: the workforce plans; known workforce gaps; interventions for recruitment and retention; and predicted temporary staffing, spend could be utilised to map the impact for the next two years with indicators to understand the trajectory for improvement.  *The Head of Strategy joined the meeting.*  The Chief Executive noted that globally it was predicted there would be a shortfall of healthcare staff and that NHSE had committed to publishing a comprehensive workforce plan next year. Regarding medical locums, the Trust was part of a temporary staffing programme across three ICSs in the SE which would be looking at medical workforce and this would hopefully bring some benefits.  The Trust Chair mentioned the presence of agency staff could be a disincentive to substantive staff with the volume of agency staff the Trust had. This could lead to difficulties with retention, and was there the potential for the premium to be of benefit to existing staff. The Chief Nurse agreed adding the programme was around improving quality to reduce agency and progress was starting to be seen already even though the programme was only a third completed. The Chair spoke about the value of time and how it was utilised in liberating effective capacity.  The Executive Managing Director for Mental Health, Learning Disability and Autism in reference to the Trust Chair’s comment said the aim should be for Trust staff to have the option to do extra shifts within a controlled way for work life balance with the Trust rewarding staff enough for any extra work they do within the organisation.  **The Committee noted the report.**  *The Chief Nurse and the Director of Clinical Workforce Transformation left the meeting.* |  |
| a  b  c  a  b  a  b  a  b  c  d  e  f  g | **Capital Investment (including IM&T)**  **FY23 Capital Programme Plan – review of progress:**   1. **FY23 Capital Programme Plan and YTD spend against budget**   The Chief Finance Officer presented paper FIC 74/2022 Capital Expenditure report that included a summary of the Capital Programme Plan. This was to ensure the two items were brought together on the agenda so as not to miss interactions between them if looking at revenue and capital in separate brackets. The forecast did not reflect everything that was being learnt around capital, and for awareness of the Trust’s capital spend when the ICS was overspent on capital. In terms of progress on the capital programme there had not been any readjustments, however there were small movements which would fall more to the discretion of operational directors. The major set of changes in capital had been around IT, such as committing to and bringing forward EMIS, an electronic patient record system and in achieving the match funding for next year.  The Executive Director for Digital and Transformation highlighted that completion of certain works could be adjusted taking into consideration any movement from capital to revenue, or additional funding before year end. Estates currently had a large backlog of maintenance and significant plans for improvements that needed to be done, some of which the Trust was not able to fund at this particular point. It would be beneficial to identify and close the final position to allow getting orders in with contractors and sufficient time to deliver work. There was difficulty if funding were to come in January 2023, as this made it challenging for contractors to complete work, due to market pressures, by the end of the financial year. In previous years there had been schemes rolled over which had then caused pressures in the next financial year.  **The Committee noted the report and update.**   1. **Capital Programme Sub-Committee (CPSC) – summary of methodology and prioritisation of projects and CPSC Terms of Reference**   It was noted the report had been deferred to the next FIC meeting, and CPSC minutes at FIC RR/App 41/(2022) were noted.  **The Committee noted the deferral of the item to the next FIC meeting and Capital Programme Sub-Committee minutes were noted.**   1. **Capital Projects Update**   It was noted discussion on paper FIC 76/2022, CPSC Estates Capital Report had been included item 6a) above. There were no comments on the Capital Programme Board Annual Report available in the reading room FIC RR/App 42/2022.  **The Committee noted the discussion for the item had taken place at 6b) and noted the Capital Programme Board Annual Report.**   1. **Oxford Health Foundation Trust Annual Planning Process**   The Director of Strategy and Partnerships and the Head of Strategy presented paper – FIC 77/2022, Oxford Health Foundation Trust (**OHFT**) Annual Planning Process 2023/24. The overall aim being the development of the 2023/24 annual plan document for the Trust to utilise organisation wide.  The Head of Strategy spoke about the overview of the planning process going into 2023/24 and that it was a joint project between strategy and finance, with the Chief Finance Officer, working towards joining up planning functions and activities across the Trust. The ambition was to improve planning work and structures to achieve a more robust internal planning process. There were a number of reasons for this including: to improve decision making; improve remit and scoping health systems that we operate in; to improve resource allocation; and to improve quality and sustainability of services. There were Directorate planning workshops in place that were critical to the overall process in order to build the Trust plan through directorate level plans. The first wave of workshops would be held in December, with others to follow in January 2023, with follow up workshops in the February. This was a new process and a new level of coordination of planning across the Trust.  The Chief Finance Officer added this was a very ambitious scope and was important in regard to cultural changes in the organisation in engendering empowerment and continuing improvement. The Director of Strategy and Partnerships echoed this and that the work had commenced with limited resources and there was a need to be realistic about what could be achieved, including aligning finance, workforce, and activity data noting that processes were not yet fully embedded.  The Chair commented the process was an excellent move forward in the integration and expectation around inter-relationships. This first step was significant and there needed to be realistic ambitions for year one.  The Director of Corporate Affairs and Company Secretary commented that she was in agreement with the discipline of not everything being a priority. This planning process would assist in the Board being more focused and would be in support of Well-Led recommendations, and meet enhanced risk management noted from an Audit Committee workshop.  Philip Rutnam advised the real test will be whether during the year it feels like the process had led to more integration substantively across the organisation between the input and different levels of the organisation.  **The Committee noted the report.**  *The Director of Strategy left the meeting.*  *The Warneford Park Programme Director joined the meeting.*  *The Committee took a 5-minute break.* |  |
| a  b  c  d  e | **Warneford Park Project Board Update**  The Warneford Park Programme Director presented paper FIC 79/2022, Warneford Park Programme update, highlighting:   * work was progressing towards submission of the planning application in February 2024 for the complete project; * the Strategic Outline Case (**SOC**) was being updated to review all possible strategic options to ensure it was as strong as possible given the current climate of competing demands across the NHS, and financial aspects; * the design for the new hospital accommodated for future flexibility for services and was being reviewed to validate it met future requirements and ensure it was aligned to the SOC and Conditional Options Agreement; and * the stages of the business case that would require Board approval were outlined.   The Warneford Park Programme Director reported the accumulative spend on the project at M7 was just over £1.0 million, with the spend being treated as revenue for this stage of the project, however there may be a point after SOC approval, expected summer 2023, where it may be appropriate to look at capitalising costs going forward. The expected spend by this time would be at 1% of capital value, £1.5 million, of which the Trust was currently within this. The expected spend at the Objective Business Case tage would be up to £7.0 million by mid-2024. This was a significant risk exposure in up front spend depending on when funding approval may be achieved, and economic updates would be provided at future FIC meetings.  The Chair advised there was an expected direct relationship between the Warneford Park Programme Board and the Trust Board in terms of reporting, and updates. However, it was necessary for the FIC to have detailed oversight on significant milestones or variants in the project progress or spend.  *The Trust Chair left the meeting.*  Philip Rutnam stated it was prudent for the project to be managed smartly to ensure those in the organisation connected to it and the Board were fully sighted on matters. The Chief Executive echoed this and that the FICshould be used as a way of providing the Board with assurance that matters were being undertaken in a suitably rigorous and robust way.  **The Committee noted the report and update.**  *The Warneford Park Programme Director left the meeting.*  *The Sustainability Manager joined the meeting.* |  |
| a  b | **Psychiatric Intensive Care Unit (PICU) update**  The Executive Director for Digital and Transformation presented paper FIC 78/2022, Update on the build of the CAMHS PICU at the Warneford Hospital which was taken as read.  **The Committee noted the report.** |  |
| a  b  c  d | **IM&T Update**  The Executive Director for Digital and Transformation presented paper FIC 80/2022, IM&T update. He stated that over the past couple of years the Trust had benefited from: Digital Aspirant funding; Unified Tech funding; and recently Frontline Digitisation investment allocation of £7.29 million funding that had been authorised. NHS Digitisation required match funding for this which was supported by the Trust’s built in £2.0 million yearly provision so there were no additional costs. Investment justification was required both at regional and national levels and KPMG, a specialist agency, had been employed to assist in the reporting of how monies were being allocated and the delivery of projects.  *The Assistant Trust Secretary joined the meeting.*  The focus was on delivery of four software programme areas: EMIS in community services; Rio (electronic patient records) in mental health; CERNA (electronic prescribing) in community hospitals; and EPMA (electronic prescribing and medicines administration) that had stalled owing to the cyber incident. There were soft launches of EMIS and Rio planned for that week, with Rio expected to ‘go live’ the following week. He stated it would take approximately 12 – 18 months for the Trust to achieve the expected national position on digitisation. This did not just relate to the recovery from the cyber outage impacting the clinical systems but also that the Trust had been behind in the development of electronic patient records. Work was underway in lifting information from various data sources to optimise CareNotes that was now available and being checked following the outage.  The Chair commented it was good to see the data centre up and running.  **The Committee noted the report.** |  |
| a  b | **Information Management Group update**  The Chief Finance officer presented paper FIC 81/2022, Information Management Group Highlight and Escalation report highlighting the following:   * the Head of IT would be presenting on: the further terms of assurance beyond internal audit and the prioritising of security information technology as part of system planning at the Audit Committee the following day; * the mandatory information governance training levels had improved significantly and were just below the 95% compliance level; * the level of demand for Freedom of Information and Subject Access Requests continued to increase without additional resource; * the consistency in capturing ethnicity data was being reviewed by the Chief Medical Officer in his capacity as Caldicot Guardian; * the process of IDs for clinical temporary workers was being reviewed to ensure robustness.   **The Committee noted the update.** |  |
| a  b  c  d | **Prison Tender update**  The Executive Managing Director for Mental Health, Learning Disability and Autism provided a verbal update on the prison tender updating the tender had gone ‘live’ on 01 October 2022. The tender was in partnership with the Practice Plus Group, and comprised of a cluster of three prisons, and a planned transformation programme with partners would improve pathways and use of available finances. The initial staffing gaps were more than anticipated but were not at a level of concern regarding recruitment.  The Chair mentioned he had cautioned previously around clinical teams being overstretched however it had been understood this contract brought benefits for patients and patient pathways. The Executive Managing Director for Mental Health, Learning Disability and Autism informed a cluster of prisons in the Thames Valley region had been considered but had not been appropriate for the Trust to engage with.  An update on the progress of the tender would be provided to a future Committee once it had been operational for longer.  **The Committee noted the verbal update.** |  |
| a  b  c | **Policy – Standing Financial Instructions**  The Deputy Director of Finance presented paper FIC RR\_App 43/2022, standing Financial Instructions for recommendation to the Audit Committee. The policy had been reviewed and updated to: be in line with operational and approval thresholds; include provider collaborative initiatives; and reflect personnel title changes to assist in being more workable. There were no additional financial risks.  The committee were content to recommend to the Audit Committee the approval of revisions.  **The Committee noted the report and recommendation to the Audit Committee.**  *The CEO left the meeting.*  *The Associate Director Child and Adolescent Mental Health Services and Finance Business Partner joined the meeting* | **PM** |
| a  b  c  d  e  f | **Child and Adolescent Mental Health Services (CAMHS) T4 Provider Collaborative, Children and Young People, Hospital@Home Eating Disorders Service**  The Associate Director CAMHS presented paper FIC 82/2022, CAMHS Tier 4 Provider Collaborative (**PC**) Children and Young People Hospital@Home Eating Disorders Service. She outlined in 2021 the CAMHS T4 PC had been awarded non-recurrent funding via Winter Pressures investments to pilot a new clinical model Hospital@Home (**H&H**), a service to provide T4 care in the community as an alternative to inpatient admission.  *The Service Director Oxon & BSW Mental Health joined the meeting.*  The funding had supported: the design of the clinical model; staffing; and a capacity for 6 patients. After review and evaluation it was proposed for expansion to 12 patients with a move from non-recurrent to recurrent funding. This would enable a move from contracted staff to secure a substantive workforce. She reported at M7 there had been savings of £2.0 million within the CAMHS T4 PC which were proposed to be invested into moving the Hospital@Home model to recurrent, and moving forward the CAMHS T4 PC would continue to save on occupied bed days the income from NHS England, the reduction in Out of Area placements, and independent provider usage. In terms of governance the proposal had been presented and accepted at: the NHSE Regional Assurance Board; CAMHS PC Executive meeting; CAMHS Partnership Board; and OHFT Provider Collaborative Programme Board. The wish was for FIC to be in agreement to move the model from a pilot to substantive recurrent funding.  The Associate Director CAMHS reported, in response to the Chairs enquiry around risk and general progress with partnership working, that there was: a new agreement with Berkshire Healthcare Trust to invest in the Phoenix Eating Disorder CAMHS Day Service; and discussions were underway with Gloucester Integrated Care Board (**ICB**) and BSW ICB about expanding CAMHS T4 infrastructure in Gloucestershire. It was evident both financially and strategically that the H&H model was able to make savings in keeping young people closer to home leading to improved patient outcomes.  The approval route was discussed by The Chair and Chief Finance Officer and agreed for proposals of this nature to be presented to the FIC not necessarily for approval but for information, assurance, and any potential financial risk or aggregate financial risk.  The committee were content for the team to expand provision of the service and move to a more permanent, sustainable footing.  **The Committee noted and APPROVED the recommendation to move the pilot Hospital@Home pilot to recurrent model within the CAMHS provider.**  *The Associate Director Child and Adolescent Mental Health Services, Service Director Oxon & BSW Mental Health, and Finance Business Partner left the meeting.* |  |
| a  b  c  d  e  f  g  h | **Operational and Strategic Risks: Trust Risk Register (TRR) and Board Assurance Framework (BAF): deep dive into the Trust’s impact on the environment**  The Director of Corporate Affairs and Company Secretary commenced by reminding all of the importance of the Committee’s role in the ownership and management of the six risks for which the FIC was the nominated monitoring committee. She stated the Committee had two highly rated risks at: BAF 3.4 (Delivery of the Financial Plan and maintaining financial sustainability); and BAF 3.14 (Major Capital Projects), which was a new risk where it was recognised that the extreme/red risk rating may be short term and improve subject to sufficient assurance being provided.  The Chair enquired if there were any general reflections around the nominated risks from the meeting that day. He stated in terms of BAF 3.14 (Major Capital Projects risk) that the ambition would be to see this reduced as quickly as possible but would require evidence over time to show that projects were being managed in the way expected. In terms of financial risk in earlier discussions around short-term financial flexibility this should not detract from the underlying challenge of ICS financial planning sustainability. Philip Rutnam stated the scale of the problems of financial risk at the ICS was a weakness and created a significant risk for the Trust. He added the Trust did not need to change the commentary or create any new risks but should be alert to this position and as a Board at some point circle back round to the financial situation at ICS/overarching system level and consider what, if anything as a participant in the system, could be done to mitigate potential risk.  The Assistant Trust Secretary drew the Committee’s attention to a new statutory duty under the Health and Care Act 2022 for NHS Foundation Trusts to have regard to, and contribute towards, compliance with the Climate Change Act 2008 (UK net zero emissions target) and the Environment Act 2021 (environmental targets). This was relevant for the Committee in terms of future capital programme planning and assessing business plans.  The Sustainability Manager updated the Committee that NHS England had recently published revised targets for the carbon footprint for all NHS trusts. The information included totals for: direct emissions (energy and travel) and indirect emissions (medicines and supply chain) with the Trust’s total carbon footprint being just short of 54,000 tonnes. The Sustainability Manager stated this figure still needed to be verified but had been useful in terms of setting revised targets for the organisation with a target carbon footprint reduction of 2,800 tonnes by 2028, and a reduction of indirect emissions of 40,000 tonnes by 2036 giving a sense of the impact not only to the Trust but to the ICS and wider within the NHS. He noted the current national energy crisis and the huge stretch around energy costs and, therefore, the further relevance of reducing energy consumption thereby also reducing carbon emissions.  The Sustainability Manager was developing a 5-year investment plan to 2028 which would set out energy reduction targets and initiatives such as: low emission lighting; removal of gas boilers; low omission fleet vehicles; and being mindful around travel which had reduced by 50% during the response to the pandemic.  *Philip Rutnam left the meeting and it was noted that from this point the meeting was no longer quorate.*  The Chair referred to the earlier item, the OPS Business Case, where sustainability was of consideration with the secondary ambition to consolidate existing operations and how this would impact the carbon footprint of the Trust.  The Sustainability Manager confirmed, for the Director of Corporate Affairs and Company Secretary, that a Sustainability Impact Assessment had been drafted to assist with thinking and assessment about the impact which new business opportunities would have on the environment, climate, travel and energy as well as finances and this was being embedded in new thinking.  **The Committee noted the report.**  *The Sustainability Manager left the meeting.* |  |
| **15.**  a  b  c | **Any Other Business**  It was noted there had been no decisions made in the meeting following the point when the meeting had no longer been quorate.  The Chair mentioned that at a future meeting for BAF 3.11 Business solutions in a single data centre risk rate to be reviewed as the new data centre was up and running with back-up in place.  The Deputy Director of Finance informed the Committee for awareness that a financial sustainability review was being presented at the Audit Committee the next day. | **HaS** |
| **16.**  a | **Brief reflections on today’s meeting**  The Chair stated the meeting agendas were becoming very full and for consideration in how to consolidate and streamline items in the future to be more stratified about use of time. |  |
| **Meeting close:**  The meeting closed at 12:16.  **Date of next meeting**:  Thursday 2nd February 2023, 09:00 -12:00 via Microsoft Teams virtual meeting. | | |