

WEST MERCIA PROBATION TRUST BOARD

Minutes of the Extraordinary Trust Board Meeting held on Friday 30th May 2008 at 10.30am at Stourbank House.

MINUTES

Members in Attendance	Keith Austin; Libhin Bromley Peter Davidson; Martin Foley; Elaine Hickman; Kenneth Hockenhull; James Kelly (Chair); David Chantler (Chief Executive); Derek Muhl; Leon Murray, Valerie Reynolds Andrew Strong.	
Assistant Chief Officers in Attendance	Alec Rudd	Head of HR
Officers	Clerk to the Trust Board	Lynne Coombes

181.	Apologies (Agenda Item 1)	Apologies were received from Mike Weaver, Norman Stott and Ken Hockenhull. HH Judge McCreath was not in attendance
182.	Rebalancing the Budget	<p>The Chair said that the meeting had been convened to discuss how to manage the budget and possible future deficits. The Chief Executive gave a presentation. The Chief Executive reported that the situation would be viewed as a three year strategy in line with Trust Board policy. Currently there is a moderate, albeit diminishing, carry forward. In reality a 2.3% uplift in conjunction with £650k for 'creating confidence' had meant the situation was as at the situation last year but with new demands on resources. There was a need to create some 'headroom' and confirm changing patterns of service delivery. West Mercia Trust had experienced short term periods of instability with the Connect project closing at short notice and the number of Probation Officers being significantly reduced in a short time scale at Long Lartin.</p> <p>The Chief Executive reported a £179,000 overspend this year (this included both the carry forward amount and the £650k payment). He forecast an approximate overspend at the end of year three of £1.1 million if no strategic action was taken. However, he was confident the budget could be balanced this year.</p> <p>The Chief Executive reported that although no assurances had been given, the suggestion was that an additional £650k would be sustained over 3 years. The Treasury have guaranteed this for year 1 and the MoJ in years 2 and 3.</p>

There were issues around the salary settlement but projections have been based on a salary settlement of less than 4% which will include both cost of living and incremental rises. Non-salary savings had been achieved with stringent cuts in travel expenditure etc. There was to be a restructuring budget created to pay for early retirements, voluntary redundancy etc. The Chief Executive reported on the 'unknowns' in relation to the comprehensive spending review in context of the next general election probably to be held on May 2010. The difficulty lay in forecasting priorities of new ministers/policies in relation to probation, particularly in relation to prison spending.

The group discussed proposals put forward by the Chief Executive.

Trust Board Members agreed to honour the policy to balance the budget over 3 years. A 'do nothing' policy was not an option There was a need to be £1.1 million less committed by the end of year 3.

The aim is to save £1million over the 3 year cycle with no detriment to the Trust's effectiveness. The Chief Executive said this was a manageable risk which would incorporate genuine efficiency savings and resource wastage. However the risk would be added to the risk register.

Members agreed that a restructuring fund needs to be created. There was a need to review structures, systems and processes and manage shared overheads along with investment in external fund raising and exploring further funding streams. It was noted that £300,000 needs to be saved out of operational funds this year.

The Chief Executive recommended that the situation was addressed sooner rather than later. A 4 post reduction at the beginning is 8 posts in October. There was a need to brief staff representatives as soon as possible and then engage staff directly. It was also vital to put PR handling mechanisms in place to present a consistent message. There was a stress on avoiding arbitrary cuts and freezes and surprises. The Chief Executive summed up by saying that long term answers were required for long term problems and that short term solutions only put off the 'evil day' and distort Trust aims.

The Chair said the position would have still existed with or without Trust status being achieved. As a Trust, West Mercia needed to create different ways of working and combine resources in different ways to reduce costs He

		<p>wanted the Trust to be run as a model Trust.</p> <p>Bridget Nisbet, as Chair of the HR Committee, reported that the committee had met to consider related issues in some detail. The members had discussed an ideal scenario looking forward incorporating partnership working and proactive planning. The Head of HR had developed a proposal framework on which to base HR policy.</p> <p>Libhin Bromley queried if West Mercia's appraisal policy was being implemented properly and if a robust system was in place. The Head of HR reported that the process had recently been revamped and training programmes for managers were currently being implemented. The aim was 100% appraisal process completion</p>
183.	Date of Next Meeting	Wednesday 18 th June 2008, 2.00pm, Leswell Street.
184.	Meeting Ended	The meeting ended at 12.30pm.

Signed:

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Board Chair

Dated:

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