

**Minutes of the Finance and Performance Committee
24 March 2020 at 1pm
(teleconference).**

Present: Mrs Sue White, Non-executive Director (Chair of Committee)
Mrs Dawn Hanwell, Chief Financial Officer and Deputy Chief Executive
Mr Cleveland Henry, Non-executive Director
Mr Martin Wright, Non-executive Director

In attendance: Mr David Brewin, Assistant Director of Finance
Ms Rose Cooper, Corporate Governance Officer (Committee Secretariat)
Mrs Cath Hill, Associate Director for Corporate Governance

20/021	Welcome and Introduction	Action
	Mrs White welcomed everyone to the meeting. The Committee noted it was Mr Henry's first meeting.	
20/022	Apologies for absence (agenda item 1)	
	Apologies had been received from Mrs Forster Adams, Chief Operating Officer.	
	The Committee was quorate.	
20/023	Members and attendees declaration of any conflict of interest in respect of any agenda items (agenda item 2)	
	No declarations of interest were made.	
20/024	Minutes of the meeting held on 28 January 2020 (agenda item 3)	
	The minutes of the meeting held on the 28 January 2020 were accepted as a true record subject to unwanted being corrected to unwarranted on page 4.	
20/025	Approval for the minutes of the meeting held on the 28 January 2020 to be uploaded to the Trust's external website (agenda item 3.1)	
	The Committee agreed that the minutes of the Finance and Committee meeting held on the 28 January 2020 were suitable to be uploaded to	

the Trust's external website.

20/026

Matters arising (agenda item 4)

There were no matters arising.

20/027

Cumulative action log (agenda item 5)

The Committee asked that Ms Cooper request an update from Mrs Forster Adams for action log numbers 153 and 154.

RC

The Committee **received** the cumulative action log and **agreed** the actions that should be closed.

20/028

Combined Quality Performance Report (agenda item 6)

Due to Mrs Forster Adams being required at another meeting the Committee received the Combined Quality Performance Report which included activity and financial information through to February 2020 but did not discuss it in detail. It was agreed that any significant points should be raised at the Board meeting that week but the Committee was mindful of the current pressures caused by COVID-19 and Mrs White asked that questions be kept to a minimum.

RC

The Committee **received** the report which outlined the Trust's current performance position.

20/029

Impact of CareDirector Implementation on Reporting (agenda item 7)

The Committee received a paper that outlined the logistical issues for producing data and reports in the initial months post the go-live of CareDirector, alongside a rough indication of when key reports would be available again.

The Committee understood that the decision when to go-live with CareDirector was currently being considered and a decision would be made after the discussion at the Board of Directors' Meeting on the 26 March 2020. The Committee discussed the benefits and risks of going live in the current circumstances.

The Committee discussed the potential postponement of the regulator's annual reporting requirements which included the Trust's Annual Report, Quality Report and external audit assurance. It was agreed that non-executive directors would be kept informed of any changes.

CH

The Committee was concerned that the ratio for safer staffing on wards was currently under review. This was in light of the circumstances relating to COVID-19 and concerns about having the resources to staff wards at the optimum level due to sickness and self-isolation.

The Committee **noted** the content of this report and **discussed** areas of concern. The Committee was **assured** by the priorities set out in the paper and **understood** that the timescales for implementing CareDirector were moveable in the current climate.

20/030

Financial Position Month 11 (agenda item 8)

Mr Brewin introduced the report which provided an overview of the financial position at month 11 (February 2020), including an indication of the year end forecast. The report also included an overview of the response and changes to financial governance that the NHS finance community was being asked to implement due to COVID-19. He noted that the income and expenditure position continued to be underpinned by significant variances between planned budgets and actual expenditure, with a high degree of reliance on underspending budgets to offset pressure areas. There was also significant non-recurrent benefit from slippage on development reserves, and some prior year fortuitous benefit.

Mr Brewin explained that a detailed forecast had been undertaken to assess the likely range of outturn positions and that there was a high level of confidence and expectation that the Trust would significantly exceed its planned £43k deficit. He informed the Committee that the Trust was able to improve its contribution to the Integrated Care System (ICS) control total as part of wider system offsetting negotiations and had committed to a £400k improvement in its trajectory; therefore forecasting a c£360k surplus.

Mr Wright asked for more detail on progress to date with the Trust's Cost Improvement Plans (CIPs). Mrs Hanwell responded that work had been done to identify efficiency opportunities up to this point but the focus had shifted to operationally managing the COVID-19 situation both at a Trust and national level. Mr Wright also referred to the capital programme and noted that the anti-virus/encryption software was behind plan and asked what the reason for this was. Mr Brewin explained that this was a presentational issue as there was a cross-over with the cyber security software line below it which had overspent and he would make this clearer for the next iteration of the capital plan. The Committee then discussed the heightened risk relating to cyber-crime at this time.

Mr Henry asked if there was any anticipated additional spend relating to COVID-19 to support staff to work remotely that had not been accounted for previously. Mrs Hanwell provided assurance that the Trust was in a strong place with regard to IT equipment and recognised the potential for added functionality that CareDirector would bring at this time. She also provided assurance that all exceptional spend would be covered by

DB

the central government's financial support. This money would be tracked and would have to be justified as COVID-19 related spend. The Committee understood that additional costs such as transport, equipment and overtime would be covered.

Mrs White asked about the shift in the Trust's financial risk rating from '1' to '2'. Mr Brewin explained what had caused the change and the Committee was assured that the Trust was in a strong and secure financial position regardless of this.

The Committee **noted** that the month 11 reported financial position was better than plan with an overall surplus (excluding unplanned PSF funding relating to 18/19) and a Finance Score of '2'. The Committee also **noted** the cost pressures in relation to OAPs and inpatient services; rising medical agency costs and unidentified CIPs plus the risk associated with reliance on "offsetting" variances. The Committee **noted** the revised forecast of c£360k surplus (excluding PSF). The Committee **recognised** that the actual position may be in excess of the figures stated given the central government's financial support in light of the coronavirus outbreak combined with the additional non-recurrent support from the CCG to mitigate the projected OAPs expenditure pressure.

20/031

Operational Plan - Look Forward (agenda item 9)

The Committee received the report which provided an overview of the draft operational planning submission and the next steps in the context of the emerging national response to COVID-19. The Committee understood that given the national context there would be no further work undertaken to finalise the Operational Plan during the interim period; however, there was a duty to maintain financial governance and therefore the Trust would be setting internal budgets for next year based on robust planning assumptions. The Committee agreed that an internal budget would either come to the April meeting, or a paper setting out the process and timeline would come to April to provide assurance around spend and then the budget would be scheduled for the May meeting.

DH

The Committee discussed the delay in the implementation of the Adult Eating Disorder Provider Collaborative caused by the interim changes to contract regulations. The Committee discussed the risks associated with taking on the responsibility of the Provider Collaborative in the current circumstances and was reassured that this would remain as a new care model for the time being.

The Committee had concerns over the current timetable to produce the year-end accounts but understood this would be clarified after the Audit Committee meeting next month.

DH

Mrs White asked about the progress with the CAMHS Tier 4 new build and whether there was any potential for delay. Mrs Hanwell advised that the current position was that the construction industry had not been told to close down and she had received assurance from Interserve that as

of today they had the resilience and capacity to carry on with the contracting. She explained that they had not yet formally signed the contract but were in the process of finalising the contract documentation. The Committee noted that the COVID-19 risk to the Guaranteed Maximum Price needed to be worked through in terms of price fluctuations in the market. However, Mrs Hanwell was assured that they had reasonable price certainty on a significant amount of the construction cost.

The Committee also reviewed the business continuity and financial governance arrangements set out in Appendix Two and was assured that robust and resilient arrangements were in place to ensure important functions such as payroll would continue.

The Committee **noted** the details underpinning the draft plan submission and **noted** the national position in regard to operational planning and our internal arrangements to respond to the emerging situation. The Committee also **recommended** cancelling the extraordinary Board meeting in April which had been scheduled to sign-off the Operational Plan ahead of the deadline on the 29 April as it would no longer be required.

20/032

Board Assurance Framework (agenda item 10)

The Committee noted that the impact of COVID-19 had been reflected within the document and this had resulted in the risk score of all the strategic risks increasing. As relevant, the controls, gaps and contributory risks for the strategic risks now reflected the impact of COVID-19. However, the Committee was reminded that the Trust had in place robust Business Continuity plans, specific governance / command and control arrangements (both internally and externally determined) to manage the day to day risks posed by the pandemic and lessen the overall impact on our service users, staff, carers and visitors.

The Committee discussed the possibility of completion dates being affected by COVID-19 and how this could be reflected in the Board Assurance Framework (BAF). Mrs Hill asked that this get raised at the Board meeting later that week as it was applicable for all risks, not just those reported to this Committee. The Committee agreed that a revised BAF with more realistic timeframes for the completion of actions which reflected the pressure that the Trust was currently facing was needed.

CH

Mr Wright also referred to SR6 of the BAF and queried if the risks relating to counter fraud had been fully articulated. Mrs Hill agreed to look into this further.

CH

The Committee **reviewed** the risks detailed in the Assurance Framework and was **assured** that these were being adequately controlled.

20/033

Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 11)

The Committee **agreed** the items that would be included in the Chair's Report to the public Board of Directors' Meeting on the 26 March 2020.

20/034

Any other business (agenda item 12)

Mr Wright asked when the Procurement Plan progress update would be presented to the Committee as it had been due to come to the March meeting. Mrs Hanwell advised that it would likely be May but this would be reviewed nearer to the time.

DH

DRAFT