

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

Present: Mrs Sue White, Non-executive Director (Chair of Committee)
Mrs Joanna Forster Adams, Chief Operating Officer
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 (items 1, 2 & 13)
Mr Andrew Jackson, Resilience Lead (agenda items 11 & 12)

		Action
20/081	<p>Welcome and Introduction</p> <p>Mrs White welcomed everyone to the meeting.</p>	
20/082	<p>Apologies for absence (agenda item 1)</p> <p>No apologies had been received from members. Apologies from attendees had been received from Mr Bill Fawcett, Chief Information Officer. The Committee was quorate.</p>	
20/083	<p>Members and attendees declaration of any conflict of interest in respect of any agenda items (agenda item 2)</p> <p>No declarations of interest were made.</p>	
20/084	<p>Board Assurance Framework (agenda item 13)</p> <p>The Committee reviewed the strategic risks on Finance, Estates and IT in the Board Assurance Framework (BAF) in detail. Mrs Hanwell and Mr Brewin were asked to provide a revised overall risk rating for SR4. The Committee understood the rationale for the risk score of 20 but agreed that it needed to be downgraded to reflect the current financial position which was considered to be relatively low risk. The Committee also agreed that a new risk should be added to Datix around the partnership arrangements and associated financial implications of the Provider Collaboratives and Integrated Care Systems (ICS) and that this should be shown as a contributory risk to SR4. Mrs Hanwell agreed to incorporate this. Mrs Hanwell was also asked to consider adding a risk around strategic planning and how the Trust used its estate as a consequence of this.</p>	<p>DH and DB</p> <p>DH</p> <p>DH</p>

The Committee asked that Mrs Hill make it clearer that Datix Reference 570 related to the financial impact of a potential fine from the Information Commissioners Office as a result of Information Governance breaches in Care Services.

CHi

Mrs Hanwell and Mrs Forster Adams agreed to review the overall risk score of SR5 to ensure that it reflected the current estates situation. Mrs Forster Adams also suggested refreshing the Covid-19 risks and being more specific about the controls that were in place. Mr Wright suggested that the action to carry out a PFI options appraisal to address the Trust's sub-optimal estate (Datix Reference 615) was expanded upon with dates being set for individual sub-actions. Mr Henry asked about the staff who would be working remotely on a permanent basis and what means there were of ensuring the safety and suitability of their home working environments in the long term. Mrs Hill agreed to raise this with the Workforce Committee when it considered its strategic risks.

**DH and
JFA**

With regard to SR6, the Committee asked that the planned phishing exercise to help identify where further cyber security training was required in the Trust was listed as a mitigating control.

CHi

DH

The Committee **reviewed** the risks detailed in the Assurance Framework and **agreed** that the overall risk score for SR4 and SR5 should be moderated, and **suggested** new risks and mitigations which would be incorporated into the next version.

20/085

Minutes of the meeting held on 27 October 2020 (agenda item 3)

The minutes of the meeting held on the 27 October 2020 were **accepted** as a true record.

20/086

Approval for the minutes of the meeting held on 27 October 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 27 October 2020 were suitable to be uploaded to the Trust's external website.

20/087

Matters arising (agenda item 4)

There were no matters arising.

20/088

Cumulative action log (agenda item 5)

Mr Brewin provided a verbal update against action log number 178; he

advised that Jo Third (the Trust's lead for apprenticeships) had confirmed that many organisations had been lobbying the government to extend the levy beyond the 24 month expiry period but had not been successful. However, the Trust had submitted a request directly to Health Education England (HEE) to be partnered with another organisation that needed the levy and could process it in time. Mr Brewin would provide an update on the response from HEE as part of the action log to the next meeting.

DB

The Committee **received** the cumulative action log and **noted** the updates provided.

20/089

Preparations for the end of the EU transition period (agenda item 11)

The Committee reviewed the Trust's preparedness arrangements for the EU Exit. Mr Jackson explained that the modelling had been based on a worst case scenario and the Committee was assured that robust systems and processes were in place at Trust, city, and regional levels to identify, manage, and mitigate the risks. The Committee noted that the principal risks for the Trust were the supply of medicines and vaccines, fresh food, and PFI partner business continuity. But that for each of these risks contingency plans were in place. The Committee concluded that the Trust was as well prepared as it could be, given the continued uncertainty at a national level about a trade deal.

The Committee was informed that the Trust's facilities management (FM) provider Interserve was merging with Mitie, another FM company. The implications of the merger would be reviewed with Equitix, the Trust's PFI provider, and reported to the next private Committee meeting

DH

The Committee received assurance that the new Child and Adolescent Mental Health Service (CAMHS) build at St Mary's House was on schedule and was not likely to be affected by the EU Exit.

The Committee **considered** the update paper and was **assured** that the Trust had put in place and would continue to enhance its systems to respond to any risks associated with an end of transition without a trade agreement.

20/090

Emergency Preparedness, Resilience and Response (EPRR) Annual Report (agenda item 12)

The Committee received and approved the Emergency Preparedness, Resilience and Response Annual Report which covered a 19 month period from September 2018 to March 2020. The Committee understood that the next report due to come in May 2021 would cover the Covid-19 pandemic period.

The Committee **reviewed** the report, **noting** the progress made and also the limitations on progress during 2020 due to the ongoing pandemic.

20/091

Combined Quality Performance Report (agenda item 6)

The Committee reviewed the service performance aspects of the Combined Quality and Performance Report (CQPR), taking account of new ways of working, bed and staffing capacity constraints due to Covid-19, and also that some data fields were incomplete as a result of the switch to Care Director. The Committee also noted that steady progress was being made with Acute Liaison Psychiatry key performance indicators, and the Early Intervention in Psychosis Service, and was pleased to note that ethnicity recording was fully restored.

The Committee discussed the 80% target for a face to face assessment within four hours of a referral in the Crisis Resolution and Intensive Support Service (CRISS) and whether achieving this was possible in the current circumstances and if reporting against it was still relevant. Mrs Forster Adams responded that the service felt this target was appropriate and meaningful and that the team were confident that their face to face performance was closer to 80% than the current data was suggested. The Committee noted that although CRISS reporting remained a challenge, a recent service visit undertaken by Mr Wright provided assurance that staff were working effectively and strengthening their use of technology to overcome obstacles caused by the pandemic.

Mrs Forster Adams informed the Committee that discussions were being had with commissioners about the reset of the out of area placements (OAPs) trajectory and noted that they were also working closely with partners at an ICS level and with third and independent sectors to secure additional capacity where that might be available over the winter to address staffing shortages and increase capacity. The Committee noted that work was underway to monitor the impact of Covid-19 on all services and they would wait to see the detail of the recent national announcements about resources (£500m) to address patient backlogs.

Mr Henry asked of there would be an opportunity to relook at the CQPR and what data was reported at Board level in the new financial year. Mrs Hanwell suggested that this was linked to the more outcomes based reporting that Care Director would provide in due course.

The Committee **reviewed** and **noted** the content of this report and **highlighted** areas of particular focus and escalation to the Board.

20/092

Chief Financial Officer Report - Month 7 (agenda item 7)

The Committee received the overview of the financial performance of the Trust at month 7 which was the first month of operating against a

formal financial plan. The Committee noted that the income and expenditure surplus in month 7 was £310k, which was 500k above plan. Mr Brewin advised that the level of expenditure was significantly lower than anticipated at this stage but this provided a useful “buffer” as spend may be unpredictable in the next few months. The Committee also noted that cash and liquidity positions remained very strong and capital expenditure was £2m behind the original plan due to Covid-19 constraints. The Committee understood that work to develop a financial plan for 2021/22 including assessing the underlying cost base had begun and noted that this was a difficult task in the current climate.

The Committee was informed that the Trust’s Covid-19 related costs for months 1 to 6 would be audited by NHS Improvement as part of a national sample survey. The Committee understood that even though expenditure was appropriate and that robust accounting arrangements were in place there remained a risk that the audit could result in clawback in months 7 to 12.

Mrs White also highlighted that the Trust’s hosted services made a small surplus in month 7, noting that it was positive that this source of non-operating income was starting to pick up again.

The Committee **noted** the income and expenditure position at month 7, which was a favourable variance from plan of £0.5m, and the work to refine a range forecast which was highly likely to result in an improvement against the deficit plan. The Committee **received** assurance on the overall good financial position of the Trust.

20/093

National Cost Collection Assurance (agenda item 8)

The Committee received the briefing on the 2019/20 National Cost Collection pre-submission assurance requirements as outlined in NHS Improvement’s National Cost Collection Guidance 2020. The Committee confirmed that it was satisfied with the Trust’s costing processes and systems and understood that further assurance was required at the submission stage in January 2021. The Committee was also informed that the Trust’s external auditors would carry out an audit of the costings process. This would be done post-submission in February / March time of next year.

The Committee **approved** the current process in place as sufficient to assure the Board on the plan to complete the mandated costing submission for 2019/20.

20/094

Contract Development Analysis (agenda item 9)

The Committee reviewed the current status of contract developments and Provider Collaboratives. It requested that the value of the individual contracts was included in the next iteration of the paper which would

DH

help to indicate the level of risk for the Trust. The Committee also agreed to update the Board later that week on the requirement to approve the CAMHS inpatient service transfer in January 2021 following detailed scrutiny by this Committee.

The Committee **noted** the position on the Provider Collaboratives.

20/095

Strategic Estates Plan Progress Update (agenda item 10)

The Committee reviewed the progress on the Strategic Estates Plan which included actions taken in response to Covid-19, the PFI medium term strategy and PFI refinance. The Committee noted that a feasibility review was being completed to ascertain if Little Woodhouse Hall could be a suitable location for the National Inpatient Centre for Psychological Medicine (NICPM), as an alternative to the St James's Hospital development. It was understood that a decision on this matter would be made in quarter four.

The Committee noted that a decision would be made at this week's Board meeting as to when a Board strategic discussion on estates would take place. Based on that timeframe the Committee would review a critical path of what estates decisions needed to be made and by when in order to make optimum use of the Trust's estate. However, the Committee understood that there were significant competing pressures caused by Covid-19 which were impacting on progress with both the Estates Plan and the Clinical Strategy. The Committee also acknowledged the difficulty of forecasting when Covid-19 pressure might reduce enough to allow normal estates work to continue and some members of the Committee cautioned against setting potentially unrealistic expectations and actions.

Finally, Mrs White asked for some assurance on the Trust's process for reconsidering the longer term PFI plan, taking into account the work that was done previously and what had been learnt since.

The Committee **reviewed** the progress made since the last update and **noted** the issues and risks specifically in relation to PFI, the St James's Hospital development and the capacity within the Estates teams.

20/096

Updated Hibernation Plan and Cycle of Business for 2021 (agenda item 14.1)

Ms Cooper explained that due to the Covid-19 national pandemic many pieces of work had been paused and reports that were due to be presented to the Committee as per its cycle of business had not been available. She explained that this was the final iteration of the hibernation plan and that all agenda items had been rescheduled as of this meeting and that no items had been carried over to 2021.

The Committee also received its Annual Cycle of Business for 2021. It noted that some of the scheduling had been provided as a 'best guess' given that at this stage those paper authors were unclear about the deadlines for submission of the compliance reports and monitoring returns for next year.

The Committee **considered** and **approved** its Annual Cycle of Business for 2021, with the understanding that this would be kept under review.

20/097 F&P Committee Effectiveness Review (agenda item 14.2)

The Committee **evaluated** the results of its effectiveness questionnaire. It was **assured** that the Committee was still effective and was continuing to add value and that no significant issues had been raised that needed addressing by the Committee or the Board.

20/098 Review of the Committee Terms of Reference (agenda item 14.3)

The Committee **reviewed** and **approved** its terms of reference which included the recent additions agreed by Board of Directors.

20/099 Committee Meeting Dates for 2021 (agenda item 14.4)

The Committee **noted** the meeting dates for 2021.

20/100 Any item that needs to be escalated to the Board of Directors or referred to another Board subcommittee (agenda item 15)

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

20/101 Any issues for discussion at joint meetings with other Board subcommittees (agenda item 15.1)

There were no additional items suggested for future joint meetings.

20/102 Any other business (agenda item 16)

The Committee did not discuss any other business.