

Board of Directors Meeting in Public

Subject:	Finance Committee report to Board	Date: 6th August 2020		
Prepared By:	Neal Gossage, Chair of Finance Committee			
Approved By:	Neal Gossage, Chair of Finance Committee			
Presented By:	Neal Gossage, Chair of Finance Committee			
Purpose				
To update the Board with regard to the activities of the Finance Committee and highlight the key discussions			Approval	
			Assurance	x
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
x	x	x	x	x
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
		x		
Risks/Issues				
Financial	Failure to work effectively across the system could have a detrimental impact on the financial performance of the Trust and the ICP/ICS			
Patient Impact	Inability to agree and implement seamless patient pathways could have a negative impact on our patient population			
Staff Impact	Failure to engage staff in new ways of working could delay the implementation of new processes			
Services	Inability to agree and implement seamless patient pathways could have a negative impact on our service provision			
Reputational	Lack of engagement in the ICP/ICS could result in negative publicity			
Committees/groups where this item has been presented before				
N/A				
Executive Summary				
A virtual meeting of the finance committee was held on 27 July 2020 due to the Covid-19 restrictions. The meeting dealt with the financing regime and month 3 performance.				
Matters to be brought to the attention of the board:				
1.1 Financing Arrangements & BAF				
At a meeting held on 14 th July 2020 conducted by NHSI for all NHS Finance Directors, future financing arrangements were discussed. It was announced that the block contract and 'top-up' arrangements put in place for the period up until 31 July 2020 would continue into August 2020 and possibly into September 2020.				
From October 2020 to March 2021, similar arrangements will apply (with values being reviewed) but with 'cap and collar' arrangements also being put in place. Covid-19 funding will continue but on a block basis based on previous monthly claims.				
This places uncertainty over the Trust's funding arrangements for the remainder of the current financial year and this has been reflected in the BAF where the assurance rating for PR4 has been changed from 'positive' to 'inconclusive'.				

Formal guidance on the future funding regime is expected from NHSI, and once received, will be reviewed by the finance committee to gain further assurance.

1.2 NHIS

The finance committee reviews the performance of NHIS on a quarterly basis and received the report for the quarter to June 2020.

NHIS has been under pressure during the Covid period and has supported additional VPN and Teams queries following a switch to remote or home working for some members of staff. In addition, new hardware was sourced and there was an increase in the number of support calls received.

The committee noted that service standards were maintained throughout the quarter and only one performance standard was breached (average speed to answer). In addition, NHIS achieved a break-even position for the period and is expected to maintain that performance through to the year end.

The committee thanked the manager and staff of NHIS for the work carried out at a time of stress and an increased workload.

1.3 BAF

The committee discussed PR4 (Failure to achieve the Trust's financial strategy). The risk score was not changed but the level of assurance was reduced from 'positive' to 'inconclusive' for the reasons noted above in relation to the uncertainty over the ongoing funding regime and effect on the Trust's five year financial strategy.

Other matters discussed by the committee

2.1 Month 3 financial performance

In line with the current funding regime, the Trust achieved a break-even position for the first quarter net of claimed £11.6m 'true-up' funding (£7.9m for Covid-related costs and £3.7m to cover the shortfall in the block contract and 'top-up' funding).

2.2 ICS Update

The ICS reported a break-even position at M2 but that is predicated on receipt of 'true-up' funding in the same way as for SFH. However, the CCG reported an overspend in May 2020 of £11.2m against 1/12 of the available funds and there is some uncertainty as to whether this shortfall will be fully funded.

2.3 Additional Meeting

The finance committee was not expected to meet again until the end of October 2020 but in view of the uncertainty over the funding arrangements for the remainder of the financial year, a further meeting will be arranged for the end of September 2020.