

COVERSHEET

Meeting	Board of Directors' meeting in PUBLIC
Paper Title	Allocation of Capital Funding - Critical Care Resilience [MOU]
Date of meeting	5 th November 2020
Date paper was written	23 rd October 2020
Responsible Director	James Drury, Interim Director of Finance
Author	James Drury, Interim Director of Finance
Presenter	James Drury, Interim Director of Finance

EXECUTIVE SUMMARY

The Trust has been allocated £350,000 of emergency Public Dividend Capital (PDC) by the Department of Health and Social Care. The Critical Care Resilience funding is for immediate capital works to improve resilience in critical provision as part of preparations for Winter 2020/21 and to manage the ongoing recovery of elective work.

The funding has been allocated for the purposes of funding the following capital investment works:

Brief Description of Funding	Planned Delivery Date	Funding (£)
The Authority will allocate PDC to the Recipient for the purposes of capital funding for a fully equipped additional escalation space within the theatres complex.	31/03/21	£350,000
	31/03/21	
	31/03/21	
	31/03/21	
	31/03/21	
	31/03/21	
Total		£350,000

The Board of Directors are asked to, due to the timescale for submission (29th October 2020), retrospectively approve the signing of this MoU.

Previously considered by	Finance & Performance Assurance Committee 27/10/20 – paper discussed briefly but not submitted to the meeting.
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THE BOARD OF DIRECTORS' ARE ASKED TO:

<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Receive	<input checked="" type="checkbox"/> Note	<input type="checkbox"/> Take Assurance
To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board or Trust without formally approving it	For the intelligence of the Board without in-depth discussion required	To assure the Board that effective systems of control are in place

Link to CQC domain:

<input checked="" type="checkbox"/> Safe	<input type="checkbox"/> Effective	<input type="checkbox"/> Caring	<input type="checkbox"/> Responsive	<input checked="" type="checkbox"/> Well-led
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Link to strategic objective(s)	<p><i>Select the strategic objective which this paper supports</i></p> <p><input type="checkbox"/> PATIENT AND FAMILY Listening to and working with our patients and families to improve healthcare</p> <p><input type="checkbox"/> SAFEST AND KINDEST Our patients and staff will tell us they feel safe and received kind care</p> <p><input type="checkbox"/> HEALTHIEST HALF MILLION Working with our partners to promote 'Healthy Choices' for all our communities</p> <p><input type="checkbox"/> LEADERSHIP Innovative and Inspiration Leadership to deliver our ambitions</p> <p><input type="checkbox"/> OUR PEOPLE Creating a great place to work</p>
Link to Board Assurance Framework risk(s)	<p>BAF 561 IF we do not have system-wide effective processes in place THEN we will not achieve national performance standards for key planned activity.</p> <p>BAF 1584 IF we do not invest in our ageing estate nor replace old equipment THEN we cannot provide a safe environment.</p> <p>BAF 670 IF we do not deliver our control total and meet the trajectory to live within our financial means THEN we cannot meet our financial duties nor invest in service development and innovation.</p>

Equality Impact Assessment	<p><input checked="" type="radio"/> Stage 1 only (no negative impact identified)</p> <p><input type="radio"/> Stage 2 recommended (negative impact identified and equality impact assessment attached for Board approval)</p>
Freedom of Information Act (2000) status	<p><input type="radio"/> This document is for full publication</p> <p><input type="radio"/> This document includes FOIA exempt information</p> <p><input checked="" type="radio"/> This whole document is exempt under the FOIA</p>
Financial assessment	



Award of Emergency Capital Public Dividend Capital (PDC) made on 20th October between:

- **The Secretary of State for Health & Social Care (The Authority), and**
- **The Shrewsbury and Telford Hospital NHS Trust**

PURPOSE OF AWARD

The Critical Care Resilience funding is for immediate capital works to improve resilience in critical provision as part of preparations for Winter 2020/21 and to manage the ongoing recovery of elective work

THE AWARD

It has been agreed to make available up to £350,000 of PDC for financial year 2020-21.

The Authority will allocate Public Dividend Capital (PDC) to the Recipient for the purposes of funding required capital investment works:

Brief Description of Funding	Planned Delivery Date	Funding (£)
The Authority will allocate PDC to the Recipient for the purposes of capital funding for a fully equipped additional escalation space within the theatres complex.	31/03/21	£350,000
	31/03/21	
	31/03/21	
	31/03/21	
	31/03/21	
	31/03/21	
Total		£350,000

PAYMENT OF AWARD

- Emergency Capital PDC will be made available to The Recipient who will have ownership of the resulting capital assets. In addition to the PDC the Recipient

will also receive, if appropriate, an increase to their Capital Resource Limit (CRL) and External Financing Limit (EFL).

- Emergency Capital PDC funding is provided only for the financial years set out in 'The Award' section, and there is no provision for carry forward to future years. If slippage in the scheme does occur, this will be at the risk of the Recipient. Slippage must be identified as soon as possible and the Authority, NHSE/ Improvement and NHSE/I Capital & Cash Team (NHSI.CapitalCashQueries@nhs.net) need to be informed. The issue of Emergency Capital PDC is conditional on the advances being held in the Recipient's Government Banking Services account until payments are made. The Authority reserves the right to ask the Recipient to repay cash that has been drawn but not spent in the financial year that the cash draw occurred.
- A cash limit will be set against the schedule of the Recipient's anticipated cash requirements. It is against this limit that requests for Emergency Capital PDC will be assessed. A unique reference number will be allocated, to be used in all correspondence between parties on this matter (See the head of this agreement).
- Emergency Capital PDC is issued by the Authority on a Monday (or the subsequent working day where the Monday is a Bank Holiday). All capital draw requests must now be submitted via the NHSE/I Capital & Cash Team in the first instance (NHSI.CapitalCashQueries@nhs.net). Where requests are submitted directly to the Authority, these will be referred to NHSE/I Capital & Cash Team before any action is taken.
- To access the funds, The Authority must be in receipt of a fully completed copy of form 'Utilisation Request' and a capital cash flow statement no later than Midday on the Wednesday preceding the draw date. The Utilisation Request is the official request to release the funds into the recipient's Government bank account. The form must be signed by two authorised signatories, in line with the declaration within the Utilisation Request. The capital cash statement details the planned spend for the initiative as well as confirming that the cash is not being drawn in advance of need. The Recipient will submit these forms in accordance with standard practice.
- The Authority shall be entitled to repayment of payments incorrectly claimed by the Recipient or issued by the Authority.
- The amount of the Award shall not be increased in the event of any overspend by the Recipient in its delivery of the Project.

CONDITIONS OF AWARD

- The Recipient shall closely monitor the delivery and success of the scheme(s) to ensure that the purpose of the award is being met. The Recipient is to ensure delivery of the scheme's benefits in accordance with this agreement and regularly report implementation progress to the NHS E & I regional diagnostics team on a monthly basis. The Authority and NHSE & I shall have the right to request the recipient to provide details on implementation and commissioning of the scheme on more regular intervals if required.
- The Recipient shall on request provide the Authority or NHSE & I with such further information, explanations and documents as the Authority or NHSE & I may

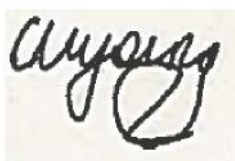
reasonably require in order for it to establish that the Award has been used properly in accordance with this Agreement.

- The capital funding will be made available as Emergency Capital PDC. Funding can only be spent on items that score as capital expenditure in Trust accounts.
- The Recipient shall use this award only for the delivery of the Purpose of Award, specified above.
- The Director of Finance must sign and return a copy of this letter to the Authority (agreeing to the conditions of the award). Based on 'The Award' Section of this agreement a cash limit will be set against which the requests for Emergency Capital PDC will be assessed.
- The Director of Finance will nominate a lead person who shall act as a point of contact between the Recipient and the Authority in all matters connected with the scheme(s).
- The Recipient shall keep all invoices, receipts and accounts and any other relevant documents relating to the expenditure of the award for a period of at least six years following the receipt of any monies to which they relate. The Authority shall have the right to review accounts and records that relate to the award and shall have the right to take copies of these records.

MONITORING AND REPORTING

- The Recipient shall permit any person authorised by the Authority such reasonable access to employees, records, premises or facilities for the purpose of validating the status and progress of the planned work.
- The Recipient may be requested to take part in meetings with the Authority or NHSE & I, again, for the purpose of validating the status of the development.

Signed on behalf of The Secretary of State (sign and date below)

A handwritten signature in black ink, appearing to read 'Chris Young', written on a light-colored rectangular background.

Name: Chris Young

Date: 20th October 2020

Position: Capital / Investment and Infrastructure Director

Signed on behalf of (sign and date below)

Name: James Drury

Date:

Position: Interim Finance Director

E-mail address: jamesdrury@nhs.net

Lead Contact at the trust for all matters connected with the scheme(s)

Name: Dominic Tolley

Position: Senior Commissioning Manager (Acute)

E-mail address: d.tolley@nhs.net

Telephone Number: 07584 334298