

## Finance and Performance Assurance Committee Key Issues Report

<b>Report Date:</b> 20 <sup>th</sup> October 2020		<b>Report of:</b> Finance and Performance Assurance Committee
<b>Date of last meeting:</b> 19 <sup>th</sup> October 2020		<b>Membership Numbers:</b> This was a special meeting of the Finance and Performance Assurance Committee as agreed at the Board of Directors' meeting on 8th October 2020, with a reduced membership comprising Chair of the Trust, Chair of the Finance and Performance Assurance Committee, Chair of the Audit and Risk Assurance Committee, Director of Strategy and Performance and Interim Director of Finance, although all Board members had been invited to attend the meeting.
1	<b>Agenda</b>	This was a single agenda item meeting to discuss: <ul style="list-style-type: none"> <li>Forecast Outturn Months 7-12 2020/21</li> </ul>
2a	<b>Alert</b>	<p>Further to the Board of Director's meeting on 8<sup>th</sup> October 2020 the Trust Board delegated approval of the submission of the Trust's Forecast Outturn for 2020/21 to NHSE/I on 21st October 2020 to the Chair, Chair of Finance and Performance Assurance Committee, Chair of Audit and Risk Assurance Committee, Director of Strategy and Performance and Interim Director of Finance.</p> <p>It was noted that at that time the Executive Directors had not reviewed and approved these proposals, and it was agreed that this was an essential requirement. It was noted that as elective care had been disrupted during the winter season in previous years the extra bed gap (70-130 beds) caused by COVID-19 and the prospect that the COVID-19 pandemic would continue over the winter meant it was inevitable that severe and extended disruption of elective care was to be expected. This would almost inevitably have an extended impact on financial issues if quality of care is to be defended as a priority. It was noted our proposals should reflect these realities. After consideration of the issues and noting the requirements of the national financial guidance, the controls and mitigations in place and the residual risks of COVID-19 and non-elective activity, the Committee <b>recommended the approval of</b> the forecast outturn position of a deficit of £8.724 million to the Directors to delegated authority granted on 8<sup>th</sup> October. This was subject to sign-off by the Executive Directors at their meeting on 20<sup>th</sup> October 2020 and inclusion of following comments:</p> <ul style="list-style-type: none"> <li>Deductions under the elective incentive scheme for not delivering 19/20 activity level thresholds of £2.8m were not included in the forecast outturn as required in the financial guidance provided by NHSE/I. However it was noted these costs/penalties were likely to be applied to the Trust.</li> </ul>

		<ul style="list-style-type: none"> <li>• Potential COVID-19 sickness/absence costs based on peak activity levels were excluded from the forecast outturn on the basis that the mitigation in the first half of the year was achieved through redeployment and that staff may not be available to meet this demand. Agency expenditure included in the forecast outturn does assume similar trends.</li> <li>• COVID-19 expenditure was set in line with income allocation and was lower than expenditure in the first half of the year. There were however changes to the expenditure profile as a result of pathology testing and PPE now being nationally funded to mitigate this risk.</li> <li>• System improvement plan and winter plan include key commitments from STP organisations to assist the Trust in the delivery of the activity assumptions. Failure to deliver against these will impact the Trust and potentially worsen the impact of the elective incentive scheme (£0.5 million increase in deduction for every 5% reduction in elective activity delivered)</li> <li>• Given expected cash flow the movement to a deficit position of £8.724 million prior to elective incentive scheme deductions was not expected to require in year loan funding from DoHSC.</li> </ul>		
2b	<b>Assurance</b>	N/A		
2c	<b>Advise</b>	N/A		
2d	<b>Review of Risks</b>	<b>This was not considered on this occasion.</b>		
3	<b>Actions to be considered by the Board</b>	<ul style="list-style-type: none"> <li>• Committee Summary to be noted.</li> </ul>		
4	<b>Report compiled by</b>	<i>Clive Deadman Chair of Committee</i>	<b>Minutes available from</b>	<i>Amanda Young Committee Support</i>