

**Meeting of the Oxford Health NHS Foundation Trust
Finance and Investment Committee**

RR/App 07/2021
(Agenda item: 24(d))

**Minutes of a meeting held on
Tuesday, 17 November 2020 at 09:02
Via Microsoft Teams Virtual Meeting**

Present:

Chris Hurst	Non-Executive Director (CMH) (the Chair)
John Allison	Non-Executive Director (JA)
Nick Broughton	Chief Executive (NB) - <i>part meeting</i>
Mike McEnaney	Director of Finance (the DoF/MMcE)

In attendance:

Claire Dalley	Director of Estates & Facilities (the DoE/CD) - <i>part meeting</i>
Paul Dodd	Deputy Director of Finance (the Deputy DoF/PD)
Jo Faulkner	Head of Forensic Services - <i>part meeting</i>
Neil McLaughlin	Trust Solicitor and Risk Manager - <i>part meeting</i>
Paul Pattison	Senior Directorate Accountant - <i>part meeting</i>
Kerry Rogers	Director of Corporate Affairs and Company Secretary (KR)
Martyn Ward	Director of Strategy & Chief Information Officer (the DoS/CIO/MW)
Susan Wall	Corporate Governance Officer (SMW) (Minutes)
Michael Williams	Financial Controller

Observers:

Chris Roberts	Lead Governor
Mark Byrne	General Manager, Oxford Pharmacy Store

<p>1.</p> <p>a</p> <p>b</p>	<p>Apologies for Absence</p> <p>Apologies for absence were received from: Jude Deacon, Director of Forensic Mental Health; Hannah Smith, Assistant Trust Secretary; and David Walker, Trust Chair.</p> <p>The Chair welcomed those present to the Committee. He requested for all to think about how to improve the effectiveness of the Finance and Investment Committee (FIC), as part of an on-going reflective process, and noted that there would be an opportunity for comments at the end of the meeting.</p>	
<p>2.</p> <p>a</p> <p>b</p> <p>c</p> <p>d</p>	<p>Minutes of the Meeting held on 15 September 2020 and Matters Arising</p> <p>The minutes of the meeting held on 15 September 2020 were approved as a true and accurate record.</p> <p>Matters Arising</p> <p>Item 3(j) b Productivity Improvement Programme (PIP) – review of Year to Date progress, Financial Year (FY) outlook, risks and opportunities</p> <p>The Corporate Governance Officer provided an update to the Committee on the reason for the spike in taxi costs for Month 3. The £78.6 thousand had been an accounting error, being miscoded against taxis instead of agency staff. This had been corrected in Month 6 financial reporting.</p> <p>Item 5(g) b Capital Projects update</p> <p>The Committee discussed the potential impact from a Buckinghamshire, Oxfordshire and Berkshire Integrated Care System (BOB ICS) review of community estate infrastructure. It was decided as the Trust had representation on BOB-wide estate groups, to remove the action, as any developments could be escalated.</p> <p>The Committee noted the following actions were to be progressed:</p> <ul style="list-style-type: none"> • 11(d) Overview and discussion of financial management arrangements, including processes for financial escalation and holding budget holders to account; • 7(g) Digital Strategy, from July 2020; and 	

<p>e</p>	<ul style="list-style-type: none"> • 6(e) Warneford Foundation Steering Group Minutes transport proposal, from November 2019. <p>The Committee noted the following actions were completed or on the agenda:</p> <ul style="list-style-type: none"> • 6(b) Data Centre Business Centre – completed, no economies of scale established; • 7(e) Thames Valley and Wessex Adult Secure Services Provider Collaborative Business Case; and • 8(c) Warneford Foundation – closed as included in action 6(e) above to be progressed. 	
<p>3.</p> <p>a</p> <p>b</p> <p>c</p> <p>d</p>	<p>Review of current financial performance:</p> <p>a) Summary of YTD financial position – to include Financial ICS update</p> <p>The DoF delivered an oral update on the current financial position of the Trust recapping that the draft FY21 plan submission in March 2020 included a surplus deficit of £2.8 million owing to a nominal contribution required to reduce the deficit of BOB. At this time there was pressure for BOB to improve their financial situation to avoid penalties, as they were an outlier in the South East Region in terms of performance with £85 million deficit.</p> <p>The DoF stated the Trust was in receipt of the Mental Health Investment Standard from Oxfordshire Clinical Commission Group (CCG) and this had provided the Trust with more financial stability.</p> <p>He said in the period from March 2020 the Trust’s contingency reserve had steadily increased.</p> <p>The DoF stated owing to the pandemic FY21 plans had been put on hold and the financial regime had been to break even for the rest of the year. He stated the Trust currently received revenue based on: a block payment equating to Month 9 2019; a prospective top-up payment of the average expenditure of Month 8 - 10 2019 inclusive; and a retrospective top-up payment which in the main covered Covid-19 costs. He noted this current financial regime was in place to offer NHS service providers stability and to support cash liquidity. He stated the first six-month Covid-19 financial regime costs had been recovered, however he</p>	

	<p>noted there had been no information from the centre on recovery of capital costs relating to IT and Estates for this period.</p> <p>e The Deputy DoF outlined months 1-6 YTD financial performance noting NHS England/Improvement (NHSE/I) work from the underlying figure that excludes the prospective and retrospective top-ups. It was noted the underlying deficit figure of £74,000 was in line with the FY21 plan and that the profile of savings was weighted for the second half of the year. He highlighted plans to off-set the deficit in community services had been stalled owing to the pandemic.</p> <p>f The Deputy DoF explained that a revised second half of the year financial plan (for months 7-12) had been submitted initially as part of a system wide plan to BOB ICS. This was followed up with a more detailed financial submission to NHSE/I on 05 November 2020 that comprised of two core elements: months 1 – 6 based on actual spend; and months 7 – 12 based on the revised plan.</p> <p>g The Committee were informed by the Deputy DoF that payments for Covid-19 revenue costs would be changing. Currently Covid-19 costs were reimbursed after each month end. The new payment regime would comprise: block payments continuing to be received from NHSE/I; Covid-19 and prospective top-up payments would now be received via BOB ICS who would receive a fixed envelope of funding for Covid-19 payments for allocation out to service providers; and retrospective top-up payments would cease. It was noted the Trust would be required to operate within the funding received and there was an agreed level of Covid-19 payments with BOB ICS that was in line with the Trust’s financial plan.</p> <p>h The DoF highlighted the following aspects for the remainder of the current financial year: fixed general and Covid-19 funding in delivering the bottom line; Mental Health Investment Standard monies received would need to spent in the second half of the year; the forecast of £1.8 million deficit related to provider collaboratives cash flow and this was being negotiated with NHSE; extra packages of care costs previously invoiced separately out of contract, had not been funded; and additional Covid-19 funding would be required for vaccination regimes and staff testing.</p> <p>i The Committee discussed the Chief Executive’s comment of agency cost pressures, and it was agreed for a detailed report to come to the next Committee meeting.</p>	<p>MMcE</p>
--	--	--------------------

<p>j</p> <p>k</p> <p>l</p> <p>m</p> <p>n</p> <p>o</p> <p>p</p>	<p>John Allison posed a concern around future fairness of payments as the BOB ICS matured with no supporting legal structure. The DoF acknowledged his concern and stated the current collegiate approach would continue.</p> <p>The DoF confirmed for John Allison the provision of new staff rest areas required to be Covid-19 safe were underway but that finances for this had not been agreed by NHSE.</p> <p>The Committee noted the oral update.</p> <p><i>Claire Dalley joined the meeting.</i></p> <p>b) Review of capacity to manage aggregate financial risk, including utilisation of reserves and risks and opportunities not included in the current forecast</p> <p>The DoF gave an oral update stating the financial plan, put together for the second half of the year, forecast a £1.8 million deficit. However, he stated he was confident there was sufficient contingency available owing to prudent management of provisions during the break-even regime in the first half of the year.</p> <p>The Committee noted the change in position.</p> <p>c) Working capital, including cashflow</p> <p>The Chair referred to the cash flow and working capital reports in the Reading Room/Appendix at RR/App 06(i)-(ii)/2020 and RR/App 07/2020.</p> <p>The Committee noted the reports as read.</p>	
<p>4.</p> <p>a</p>	<p>Oxford Pharmacy Store (OPS) performance report – update on latest performance and FY forecast</p> <p>The Chair referred to the report at RR/App 08(i)-(ii)/2020 recognising the OPS team had managed to contain and reduce costs whilst their turnover had been affected significantly by the pandemic. Mark Byrne, General Manager of OPS, said despite the pandemic they expected to be at break even by the end of the year. He informed the Committee that OPS would</p>	

b	<p>be a vaccine hub provider for the BOB region, and the team were working flexibly to achieve all requirements for this.</p> <p>The Committee noted the report.</p>	
5.	<p>3b) Productivity Improvement Programme (PIP) – review of Year to Date progress, Financial Year (FY) outlook, risks and opportunities</p> <p>a The Director of Strategy and CIO presented highlights from paper FIC 54/2020 Productivity Improvement Programme update for Month 6. He stated that across schemes £1.1 million of savings had been achieved against a projected target of £6.8 million. It was noted the forecast variance had increased by £1.8 million following the removal of the Forensic New Care Model scheme, and that there was a shortfall from the CCG for community investment owing to the pressures of the pandemic.</p> <p>b The Director of Strategy and CIO stated constant work is taking place to try and reduce the number of Out of Area placements (OAPs). This was challenging due to a 15% reduction in bed stock owing to Infection Prevention & Control (IPC) requirements for Covid-19. The position of requiring block beds for OAPs was currently an adverse cost of £124,000 to the Trust.</p> <p>c There was an on-going focus, he reported, in reducing agency costs and with the newly appointed Director of Clinical Transformation this would enhance efforts and solutions to reducing agency spend.</p> <p>d The Director of Strategy and CIO said there were variations of cost savings and increases across non-pay expenditure that culminated in an overall £5.2 million saving for the first half of the year.</p> <p>e The Director of Strategy and CIO informed the Committee new ways of looking at PIPs were being explored, in particular in working with Directorates to explore service ideas, competing priorities, and benchmarking data. John Allison expressed he supported this approach with decisions involving those working on the front line. The Chair suggested caution in the dilemma of cost savings and competing priorities and expressed for this to be an overall budget setting challenge with the overarching view of delivering continuous service and performance.</p>	

<p>f</p> <p>g</p>	<p>John Allison raised the point that the more crisis resolution support for patients to avoid admission would assist in reducing OAPs and potentially length of stay.</p> <p>The Committee noted the report.</p> <p><i>Jo Faulkner and Paul Pattison joined the meeting.</i></p>	
<p>6.</p> <p>a</p> <p>b</p> <p>c</p> <p>d</p> <p>e</p> <p>f</p>	<p>FY21 Capital Programme Plan – review of progress:</p> <p>a) Financial position – YTD spend against budget and FY forecast</p> <p>Michael Williams presented on paper FIC 55/2020 FY Capital Programme Plan summarising that the year to date position continued to show a significant gap between forecast and actual expenditure. He said an updated report would be submitted in the future to include purchase orders. This would give a more precise picture of the capital programme.</p> <p>He stated of the two major Estates’ capital schemes: the Learning Disabilities Low Secure Unit (LD LSU) expenditure forecast for the remainder of the year was expected to be nil; and that the Psychiatric Intensive Care Unit (PICU) build had been delayed. It was noted there was no impact to the Trust arising from the delay as the schemes were funded by Public Dividend Capital.</p> <p>The Committee noted the report.</p> <p>b) Capital Projects update</p> <p>The DoE reported on papers at FIC 56/2020 Capital Projects Update, giving an operational overview. She highlighted owing to the pandemic some schemes’ commencement had been delayed, however she was confident all schemes would be delivered in FY21 with no slippage required into FY22.</p> <p>The DoE stated there were currently 14 projects on site with 14 projects being completed already. She said she was working closely with project managers to ensure delivery and that all delayed works discussions had been in collaboration with clinical staff to minimise disruption to services.</p> <p>In response an enquiry from the Chair, the DoE stated there were no contractor challenges and that the contractors on site were willing to</p>	

<p>g</p>	<p>carry on working. She added that despite the second wave of Covid-19, projects would continue and still be in collaboration with clinical teams. She highlighted that if capital request payments were received from central government for Covid-19, this could have an impact on human resources in estates to complete projects.</p> <p>The Committee noted the report.</p> <p>c) Capital Programme Board Annual Report – including Value for Money</p>	
<p>h</p>	<p>The Chair and Committee agreed paper FIC 57/2020 represented a good overview of work carried out for the year.</p>	
<p>i</p>	<p>The Committee noted the report.</p> <p>d) Estates Strategy 6 monthly update</p>	
<p>j</p>	<p>The DoE presented on papers at FIC 58/2020 Estates Strategy Update citing the Estates Strategy was drawn up in 2017 and had set out the most likely major development plans.</p>	
<p>k</p>	<p>The DoE highlighted the following projects:</p> <ul style="list-style-type: none"> • 10 bed low secure unit – scheme had been delayed as a review by NHSE/I concluded there was no requirement for male LD LSU beds in the South. Negotiations were underway to refocus these funds in support of mental health within the BOB area; • development of Littlemore site – consideration for a Specialist Services site that could enable increased bed capacity for Eating Disorders; • development of the Warneford – plans were progressing; and • Community Hospitals provision – strategy to be developed further when service requirements were fully understood and would be included in the BOB ICS Estates Strategy Investment plans. 	
<p>l</p>	<p>The DoE stated the Trust had complied well with Estates Strategy commitments pertaining to:</p> <ul style="list-style-type: none"> • complying with statute – sustainability, and safe and secure premises; and 	

<p>m</p> <p>n</p>	<ul style="list-style-type: none"> developing cost effectiveness – efficient use of space and of the estate. <p>The DoE said the Estates Cost Improvement Programme (CIP) target would not be achieved in FY21 owing to the pandemic, but it should be possible to make some savings.</p> <p>The Committee noted the report.</p> <p><i>Claire Dalley left the meeting.</i></p>	
<p>7.</p> <p>a</p> <p>b</p> <p>c</p> <p>d</p> <p>e</p>	<p>Thames Valley and Wessex Provider Collaborative: proposals for the reinvestment of FY19 savings into the Thames Valley Forensic Service</p> <p>The DoF introduced paper FIC 60/2020) Thames Valley and Wessex Provider Collaborative: proposals for the reinvestment of FY19 savings into the Oxford Health Thames Valley Forensic Service. He explained that the Trust was the lead provider of partners within the Thames Valley and Wessex Forensic Network Adult Secure Provider collaborative (TVWFN). He stated a key part of the collaboration was to repatriate patients back into their own region. Monies saved as part of this and the partnership went back into the service and not to commissioners. He highlighted the approval sought from FIC was to approve the planned proposals for how the savings from FY19 would be invested back into the service.</p> <p>Jo Faulkner informed the Committee she was encouraged by how far the proposal had come and it represented a summary of the past couple of years of the service. She reflected the proposal would offer enhanced patient care via Multi-Disciplinary Teams with extra Allied Health Professional support. This would enhance patient care and experience, enrich the therapeutic environment, and offer a more outward focus for patients in their recovery.</p> <p>The Committee noted additional benefits arising from the proposal would assist in: reducing the length of stay for patients; reducing agency spend and offer financial savings.</p> <p>Paul Pattison stated there would be little impact on cost in FY21, and ongoing financial projections would be worked into financial predictions for FY22.</p> <p>The Committee approved the plans for reinvestment of FY19 savings into the Thames Valley Forensic Service.</p>	

	<i>Jo Faulkner and Paul Pattison left the meeting.</i>	
8.	IM&T Update	
a	The Director of Strategy and CIO presented the paper FIC 59/2020 Information Management Technology (IMT) Update. He informed the Committee the final tranche of Global Digital Exemplar (GDE) monies had been allocated in the signing of the contract for an Electronic Prescribing and Medicines Administration (ePMA) solution, a requirement of GDE. He stated there was still work and funding around progressing an electronic Mental Health Act system.	
b	The Director of Strategy and CIO provided an update on the situation of the Trust's Data Centre and noted that the purchase of equipment would most likely take place this financial year, and that a marketplace assessment was being undertaken to establish a host. He said the current Trust wi-fi network required improvement, and upgrading was a priority. He noted a decision was awaited on funding from BOB.	
c	The Director of Strategy and CIO stated the Trust had been required to invest heavily over the last 12 months to upgrade and increase the number of desktops and laptops, due to an ageing IT estate and additional equipment being required to support staff during the pandemic. It was suggested by the Chief Executive and agreed that an item be included in a future communication to staff to promote the significantly improved IT estate.	MW
d	The Chair enquired about cyber security and the Director of Strategy and CIO said further work was taking place on this and that staff training would be included.	
e	The Committee noted the report. <i>Nick Broughton and Martyn Ward left the meeting.</i> <i>Neil McLaughlin joined the meeting.</i>	
9.	Warneford foundation	
a	The DoF reported on papers at Reading Room/Appendix RR/App 09/2020 Minutes of the Warneford Steering Group.	
b	He informed the Committee a detailed paper would be brought to the November Board meeting in private.	

c	The minutes of the Warneford Foundation Steering Group were received.	
10.	Capital Programme Sub-Committee Minutes of Meetings	
a	The Capital Programme Sub-Committee minutes of meetings on 04 August 2020; 02 September 2020; and 06 October 2020 (paper – RR/App 10(i)-(iii)/2020) were taken as read.	
b	The Committee noted the minutes as read.	
11.	Inquest and Claims Annual Report	
a	Neil McLaughlin presented the report FIC 61/2020 which set out the details of claims, inquests and legal services activity for the last complete financial year.	
b	Neil McLaughlin reported that the Trust's contribution to NHS Resolution had increased by 36% for FY20 – FY21. He informed the Committee that NHS Resolution had not yet published other member trusts' benchmarking data, usually available every August. He would provide an update when the publication and data became available. He noted there had been a significant saving in direct legal costs, but a significant increase in the Trust's top-up property damage premium.	
c	The Committee noted the report. <i>Neil McLaughlin and Chris Roberts left the meeting.</i>	
12.	Investment Policy Annual Review	
a	The Deputy DoF reported on paper FIC 62/2020 Investment Policy Annual Review that was for approval by the Committee.	
b	The Deputy DoF highlighted one change had been made to assist in clarity and this was at Section 3 of the Policy where the wording 'the EBITDA margin' had been replaced with '20% contribution towards overheads.' The committee agreed this gave better clarification to the delivery requirement of a new service line. It was noted the following sentence would need to be revised prior to publication.	

c	The Committee approved the annual review of the Investment Policy with revision.	
13.	Any Other Business	
a	None.	
14.	Brief reflections on today's meeting	
a	John Allison said he had been satisfied with content of the meeting with sensible re-adjustment of timings where items needed more discussion than allocated on the agenda.	
b	The Chair said it would be useful if there was uniformity in agenda and report titles, and for reports to show the time period they were representing.	
c	The DoF said that as there was a lot of detailed work in finance it would be beneficial to do a review of financial report submission across FIC and Board meetings.	
<p>The meeting was closed at 11:20.</p> <p>Date of next meeting: Tuesday, 19 January 2021 09:00-12:00 via Microsoft Teams virtual meeting.</p>		