

Board of Directors - Open

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Item 03ii

Minutes of the 114th Board of Directors Meeting of Sheffield Health and Social Care NHS Foundation Trust, held on Wednesday, 13 June 2018, in the Tudor Boardroom, Old Fulwood Road, Sheffield, S10 3TG

Present:

1. Ms. Jayne Brown, Chair
2. Mr. Kevan Taylor, Chief Executive
3. Mrs. Ann Stanley, Non-Executive Director, Chair of Audit Committee
4. Mr. Richard Mills, Non-Executive Director, Chair of Finance & Investment Committee
5. Ms. Sandie Keene, Non-Executive Director, Chair of Quality Assurance Committee
6. Cllr. Olivia Blake, Non-Executive Director
7. Mr. Clive Clarke, Deputy Chief Executive/Operations Director
8. Mr. Phillip Easthope, Executive Director of Finance
9. Dr. Mike Hunter, Executive Medical Director
10. Ms. Liz Lightbown, Executive Director of Nursing, Professions & Care Standards

In Attendance:

11. Mr. Dean Wilson , Director of Human Resources (HR)
12. Mrs. Samantha Stoddart, Deputy Board Secretary
13. Mrs. Jeanine Hall, Personal Assistant to Chief Executive (Minutes)

Apologies:

14. Prof. Laura Serrant, Non-Executive Director, Chair of Workforce and Organisation Development Committee
15. Ms. Margaret Saunders, Director of Corporate Governance (Board Secretary)

Public Gallery:

Ms. S. Hartley, Public Governor
 Ms. L. Hawkes, Deputy Director, 360 Assurance
 Ms. L. Mackenzie, Client Manager, 360 Assurance
 Ms. A. Wilson, Director of Quality, SHSC

Time	Item	Action
	<p>Welcome & Apologies The Chair welcomed members of Sheffield Health and Social Care NHS Foundation Trust Board and those in attendance. She explained that this extra-ordinary meeting had been called to consider a single item of business which, due to the current timeframe, required a Board decision before the end of June, and subsequently before the next scheduled meeting of the Board of Directors in July.</p> <p>She also advised that she had one further item of any other business which she wished to raise.</p> <p>Apologies were noted and the meeting was quorate.</p>	

01/06/18	<p>Declarations of Interest: Cllr. Blake declared an interest in any issues relating to the Trust's Partnership Agreement with the Local Authority, however, it was determined that these were non-pecuniary and would not require Cllr. Blake to leave the meeting during any discussion relating to these items.</p> <p>No further declarations were made.</p>	
02/06/18	<p>Financial Framework for Integrated Care Systems 2018-19 Mr. Taylor confirmed that the purpose of this meeting was to enable the Board to consider and reach a decision on the recommended option of a risk share agreement for adoption which will enable South Yorkshire and Bassetlaw (SYB) partners in the Integrated Care System (ICS) to move forward to the next stage.</p> <p>The paper received by members provides a summary of the revised NHSI & NHSE Financial Framework for Integrated Care Systems and summarises the Framework as one of five dimensions by which systems are assessed. It also précisés key changes to the framework as a result of local system and negotiation over the past two months, what this means for South Yorkshire and Bassetlaw and highlights potential risks, benefits and opportunities for organisations and systems.</p> <p>Mr. Taylor advised he believed that to not enter into this agreement would probably present more serious, longer term, risks for the health community as a whole. He believed agreement to the proposed risk share was the next stage of the future development and strengthening of the ICS across SY&B and noted that the amount of the financial risk for SHSC is relatively small. He also confirmed that any over-performance would be taken into consideration across the whole ICS control total, however, no monies will transfer across the ICS to assist any potential failing organisation.</p> <p>The degree of risk to SHSC (or potential loss) is in the sum of £111,000, which is a marginal risk within the overall financial position of the Trust and overall financial position of the ICS, however, there needs to be a clear understanding and members need to be cognisant of the shift towards there being a collective responsibility for the overall financial position across the SYB ICS. Mr. Taylor confirmed that the key priority would always be to protect the position and good governance of the Trust in any future arrangements.</p> <p>Whilst members agreed that a system wide approach is the right direction both for the region and for the NHS in general, they expressed some concern regarding the governance and decision making arrangements and indeed the overall aim and expected outcome for this collective framework. It was agreed that it would be helpful to follow up these concerns at the forthcoming ACS Governance Meeting. Although the Chair expressed her concern that the ACS Governance Group, of which she is a member, has been cancelled on a number of occasions.</p> <p>The Chair highlighted the piecemeal process by which decisions across the SYB ICS are being sought. Whilst a lack of clarity is to be expected during the development stages; there is a need for Board members to</p>	

<p>understand the process to date and the ultimate end position and potential bigger decision(s) required in the future.</p> <p>In response to a question from Ms. Keene regarding the position of the commissioner in what is essentially a provider alliance and what the relationship is between the commissioner and the providers in this arrangement, Mr. Taylor confirmed that whilst the Sheffield CCG is part of the SYB ICS network, this financial framework is a provider risk share and does not include the CCG finances and this has been communicated very strongly back to central government. In terms of an end vision, he didn't believe at this point this clarity was available, other than a general move towards integration.</p> <p>Mr. Taylor noted that SHSC plays a significant role within the ICS and has a strong voice, and has a good level of involvement in respect of individual Executive Directors, himself and the Chair.</p> <p>Members stressed that there needs to be a balance between all providers within the ICS and that one area cannot be seen to dominate and Mr. Taylor reinforced members' views that the agreement of this financial risk share should have no impact on the continued development and investment in mental health, learning disability and community services across the city (noting the recent investment in Liaison and Integrated IAPT Services which were prioritised through the ICS as a priority for Sheffield). Whilst Mr. Taylor acknowledged the need for caution, he believes the Trust will have the opportunity to ensure a balanced approach between all partners.</p> <p>Members felt that it needed to be clear that any agreement would be without prejudice to any subsequent decisions and with a clear understanding that the key consideration of this and any future proposals needs to be the care of people in our services. Anything which poses a threat, or is seen as being a detriment to our services, will not be considered.</p> <p>Mr. Easthope confirmed that the Trust is being asked to continue as part of the ICS and that to continue comes with a need to accept some element of financial control total across the system. He noted that a number of options are given with differing degrees of risk, with the recommended option (3) ensuring that the majority of the risk is in the Trust's own destiny and is based on its own financial performance and therefore, most (90%) of the provider sustainability funding stays at our own risk, depending on our own performance as a Trust. The first option entails 70% of provider sustainability funding is determined against the system wide performance against control total; and the second option being the middle option (80% our risk).</p> <p>Clear that where we are as an ICS, moving from shadow into this next stage, organisations are very focussed on their own risk appetite and their understanding of where they sit against their own control total, and there is a reduced appetite to accept other people's risk, given the financial challenges at the moment.</p> <p>Mr. Easthope confirmed that during discussion regarding the formulation of these options, it became clear that the preference was for option 3,</p>	
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which is the least collective risk option, other than to go alone as an organisation and not as part of the ICS.

It was assessed that the benefits of being an ICS outweigh not doing it, and outweigh that risk which has been quantified as a shared risk of £5.7m. Key benefits include access to transformational funding providing the ability to pump prime transformation; priority access to central capital funding; being able to negotiate (in light of Rotherham's control total and current financial position) that they are able to move away from a control total to a recovery plan.

A further anticipated benefit, which is linked to members' concerns regarding the intended outcome/future for ICS, Mr. Easthope noted that there is a clear intention per the paper regarding increased regulation and self-regulation as a system; this will require more understanding of governance change and unitary board issues but there is a definite sense that NHSi see their role more towards "improvement" and are keen for systems to develop and take on some of that self-regulation role.

Mr. Easthope continued that, for us as an organisation, the likely element is £111,000 of our provider sustainability funding that will be moved from at risk depending on our performance against our control total, to at risk depending on the system wide performance against the provider control totals.

On that basis, Mr. Taylor and Mr. Easthope are recommending that option to the Board.

Cllr Blake acknowledged that whilst she believed from the information provided this was the right direction for the Trust, she noted her concern about the lack of any comment or statement regarding the potential impact of this system wide agreement on the Local Authority. She also reiterated those concerns already raised regarding the governance arrangements going forward.

In response Mr. Taylor confirmed that this is purely an NHS financial risk share, although the inclusion/involvement of the LA has been raised within the ICS. This is an NHS provider financial risk sharing agreement. In terms of the on-going governance, it is accepted that at present it is unclear and not specific and, in the absence of any primary legislation and consequently clear governance guidance, SHSC will observe its own governance processes even more stringently than normal.

In response to a further query from Cllr Blake regarding the status of the ICS following any agreement regarding this framework, it was confirmed that this would result in the ICS coming out of shadow form into a definitive ICS.

In response to a question from Ms. Keene regarding the potential for a whole new system of financial allocation between commissioner and provider, Mr. Taylor confirmed that transformation funding has always come direct to the Trust from NHS England and is not dependent upon coming through the commissioner, although he acknowledged that this

	<p>is a move away from the traditional provider commissioner split to systems that are effectively self-governing. It is generally accepted that the future role of commissioner will change, exactly how is not clear. At the present time this agreement will not affect the current provider commissioner relationship. Whilst the commissioning relationship is changing, it is still operating within the existing primary legislative framework and therefore overall governance arrangements. This agreement is an attempt to work in a more integrated manner without that change in legislation.</p> <p>Mr. Easthope confirmed that following the rejection of original financial framework proposal, and the resulting dialogue between NHSI and a number of ICSs, the revised options are more acceptable in terms of how the control total and the rewards for meeting it are achieved.</p> <p>Ms. Stanley noted that access to the £5.7m is dependent upon closing the currently identified gap across the system of £87.5m. It was acknowledged that there is low confidence across the system that all control totals will be achieved and therefore the likelihood is that access to that funding will be lost, although it was further acknowledged that it is early in the year in terms of financial planning and that the system is historically very good at counting its negative risk.</p> <p>Following this discussion and a recognition of the true level of risk, the Board of Directors confirmed their support of the preferred option 3 (50% partial PSF), as recommended by Mr. Taylor and Mr. Easthope.</p> <p>For the benefit of members and in terms of good governance, the Chair confirmed that an indication had already been given that the Board of Directors would support option 3 in principle but with a very clear caveat that if, following discussion at today's meeting, the Board had a different view this would be advised accordingly.</p> <p>A further query was raised by Ms. Stanley regarding the position of Rotherham NHS FT and it was confirmed that they have been issued with a joint agreed recovery plan towards a control total.</p> <p>Ms. Stanley noted that on a point of governance, the original MOU stated that every stage had to be agreed before the next stage commenced, therefore she would have expected Rotherham to be part of the agreement. It was agreed that this active omission would be followed up by Mr. Easthope and/or Mr. Taylor with Sir Andrew Cash as CEO of the ICS.</p>	
03/06/18	<p>Any Other Urgent Business</p> <p>i. <u>2018/19 Operational Plan Feedback</u> The Chair advised members that a letter has been received from Ian Dalton, Chief Executive, NHSI, providing feedback on the Trust's 2018/19 Operational Plan and asking for minor amendments to the plan. She confirmed that the letter had been circulated to Board members.</p> <p>Mr. Easthope confirmed that the Trust is asked to consider the accuracy of the reporting in of bank spend under an agency banner as a result of the additional scrutiny from NHSI and the much more detailed analysis</p>	

being undertaken by them in terms of bank and agency spend as part of the submission. Mr. Easthope advised that this is purely a presentational amendment to the plan already submitted to ensure that anticipated spend in this area within the plan is clear and recommended that the change be made in the modelling of this expenditure and the plan amended accordingly.

Members agreed to this amendment.

Mr. Easthope also advised that the letter from NHSI also presented a number of bullet points in respect of other areas for monitoring in-year and that these included:

- CIP achievement – NHSI will follow this up during the quarterly review meetings with the Trust, particularly highlighting high risk CIP submissions;
- Contract income – knowingly and per previous discussions, commissioners allocating their QIPP against contracts even though as providers we are not in a position to accept a reduction to contract, until such time as a jointly agreed QIPP is realised. This is an anomaly which arises as part of the triangulation between the CCG plans and provider plans. This is a known difference which occurs every year between commissioner and provider plans.

Following this discussion, members were happy for the plan to be amended in line with comments from NHSI and resubmitted.

ii. Professor Laura Serrant OBE

Members offered their congratulations to Laura on her recently announced OBE for services to nursing, equality and diversity.

iii. National Pay Rise

Mr. Wilson reported that the Trade Unions had voted in favour of the national pay award. A more detailed paper will be received at a future Board Meeting on the impact of this award, which is to be fully funded.

iv. Windrush 70

Mr. Clarke advised members that he attended a Windrush 70 event yesterday evening, together with a number of the Trust's 12 nominees. Although the Trust nominees were not successful, it was an excellent celebration event and Board members offered their congratulations to all nominees.

Date and time of the next Board of Directors meeting
Wednesday 11 July 2018, Tudor Boardroom, SHSC, Fulwood Tudor Boardroom, SHSC,
Fulwood Conference & Training Centre, Old Fulwood Road, Sheffield, S10 3TG

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