


Finance Performance and Resources Committee



17 June 2020, 09:30 to 11:00
09:30am via MS Teams


Agenda



-
1. **Apologies for Absence** Rona Laing

 2. **Declaration of Members' Interests** Rona Laing

 3. **COVID-19 BRIEFING SESSION**
 - 3.1. **Mobilisation Plan – Governance Arrangements** Carol Potter
 -  3.1 FPR Governance Covid SBAR.pdf (6 pages)

 - 3.2. **COVID 19 – Audit Scotland (for information)** Margo McGurk
 -  3.2 Audit Scotland Covid- SBAR.pdf (2 pages)
 -  3.2 Briefing Impact on Public Audit from Covid.pdf (5 pages)

 - 3.3. **Financial Plan – COVID 19 Response** Margo McGurk
 -  3.3 Financial Plan Covid 19 Response - SBAR.pdf (3 pages)

 - 3.4. **Reflection on Internal Audit Governance Questionnaire** Rona Laing/Margo McGurk
 -  3.4 Reflection on Governance Checklist - SBAR.pdf (2 pages)
 -  3.4 Covid Governance Checklist 2 draft for issue
(2) summary version F&P.pdf (3 pages)

 4. **Any Other Competent Business** Rona Laing

 5. **Date of Next Meeting: 7 July 2020 at 09:30am, via Teams**

| | |
|-------------------------------|---|
| Meeting: | Finance, Performance & Resources Committee |
| Meeting date: | 17 June 2020 |
| Title: | Covid-19 Governance Update |
| Responsible Executive: | Carol Potter, Chief Executive |
| Report Author: | Gillian MacIntosh, Board Secretary |

1 Purpose

This is presented to the Board for:

- Assurance

This report relates to a:

- Government policy/directive
- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

This paper provides a summary of the governance arrangements put in place within NHS Fife since mid-March 2020, in consequence of the unprecedented challenges created by the outbreak of the Covid-19 pandemic and the resultant public health emergency. Its purpose is to provide assurance to Committee members that proper operational structures have been implemented and robust governance arrangements continue to operate, to enable effective and continued scrutiny of the Executive during this extraordinary period of demand on the Health Board.

2.2 Background

In recognition of the challenges caused by the rapid mobilisation of services to address Covid-19, approval to revise governance arrangements across NHS Boards was given by the Scottish Government Director of Health Finance, Corporate Governance & Values in a letter to Board Chairs, dated 25 March 2020. Individual NHS Boards were invited to submit their specific proposals for governance during the pandemic period to the Office of the Chief Executive; NHS Fife returned their own submission on 30 March.

At its April 2020 meeting, NHS Fife Board members considered a paper outlining the Board's planned approach to governance whilst NHS Fife continues to deal with the Covid-19 pandemic, based on the principles contained in the submission made to the Scottish Government. The aims were to ensure that NHS Fife:

- could effectively respond to Covid-19, and at the same time appropriately discharge its governance responsibilities;
- maximises the time available for management and operational staff to deal with the significant challenges of addressing Covid-19 demand within clinical services; and
- minimises the need for people to travel to and physically attend meetings, thus mitigating the risk of disregarding government guidance on social distancing and limiting travel outwith one's own home.

Since the outbreak of the pandemic in mid-March, the Board has held (on 8 April and 27 May) two full meetings remotely, utilising both tele- and video-conferencing, with a prioritised agenda in place for each Board meeting. Whilst it has not been possible to meet physically in a public setting due to the ongoing lockdown restrictions and social distancing measures, for the May Board meeting representatives from the local media were invited to listen in via Teams, and this has worked successfully. Board papers continue to be published in advance on the NHS Fife website, as do the Board minutes after each meeting has taken place.

An hour-long meeting of the Chair, Vice-Chair and members of the Executive Team has taken place each week since mid-March, with a full minute circulated to Board members for their information. The Chair and Vice-Chair additionally have regular contact with the Chief Executive and other key members of the Executive Team on priority items as and when required. Regular meetings with local elected representatives (MPs/MSPs) also continue to operate.

Whilst the scheduled dates in May for the Board's committees were stood down, a series of Covid-19 related briefing sessions have been timetabled for each committee in June, prior to the proposed resumption of Board committees in July. Agendas for forthcoming meetings will reflect the priorities of the Board's ongoing response to Covid-19, in addition to the consideration of business otherwise requiring approval, such as agenda items linked to the approval of the annual accounts. The Chair, Vice-Chair and Committee Chairs will liaise with the Executive Team to identify what business must be considered by the Board and its committees and when, if necessary, meetings need to go ahead. It is likely that much routine business will be suspended or deferred, and each Committee's workplan will need to be reviewed to ensure that new items related to Covid-19 are covered appropriately.

2.3 Assessment

The Scottish Government's letter of 25 March recognised that no single approach to governance would suit all Boards during the pandemic period and that individual Boards should agree and put in place a model that suits their own specific requirements. Some national cross-comparison work has since taken place on Boards' arrangements, as initially reported to the Chairs' Corporate Governance Steering Group in late April, and a further, more detailed update is being prepared for wider circulation / consideration. This initial report confirms that, as in NHS Fife, all Boards have put in place arrangements for undertaking meetings remotely, with most now utilising MS Teams for the conduct of meetings. Most Boards initially also stood down all Governance committee meetings, with any urgent committee business being incorporated into the main Board agenda. Those

who have continued with Committee meetings have significantly reduced their frequency (to meet only when absolutely required) and the coverage of their agendas, to focus on essential operational business only.

Guidance issued by Scottish Government after all Boards had submitted their initial returns meant that Boards had to consider holding Remuneration Committee meetings in the light of decisions to be made in relation to the Scottish Government Variation Order of 27 March, 'Overtime for Executive and Senior Manager staff during Coronavirus outbreak'. A meeting of the Remuneration Committee was thus held, via Teams, on 2 June.

As in NHS Fife, many Boards have put in place an organisational Command structure to provide direction, decision-making, escalation and communication functions during the pandemic period. Further details on this structure are included as Appendix A. Initially meeting on a daily basis, including at weekends, Gold Command has now reduced its frequency of meetings according to the reduction in Covid-related activity and reporting from its supporting Silver and Bronze groups. Routine meetings such as the weekly meeting of the Executive Team, and a formal, monthly EDG, have been resumed.

The Finance, Performance & Resources Committee is invite to note the governance arrangements put in place within NHS Fife during the pandemic period.

2.3.1 Quality/ Patient Care

Delivering robust governance across the organisation is supportive of enhanced patient care and quality standards.

2.3.2 Workforce

N/A

2.3.3 Financial

The Covid-19 impact on costs is unprecedented and represents a major financial challenge for all Health Boards. Continuing with robust scrutiny arrangements is therefore vital.

2.3.4 Risk Assessment/Management

This paper relates to how the whole system of governance operates, and so is relevant to all risks on the corporate risk register. Compliance with Scottish Government guidance and practice in other Boards is an important mitigating factor against risk.

2.3.5 Equality and Diversity, including health inequalities

This paper does not relate to the planning and development of specific health services, nor any decisions that would significantly affect groups of people. Consequently an EQIA is not required.

2.3.6 Other impact

N/A

2.3.7 Communication, involvement, engagement and consultation

The Board has been open in its intended changes to governance arrangements and has communicated these to the auditors (both external and internal) and Scottish Government colleagues.

2.3.8 Route to the Meeting

This paper has been previously considered by the Chief Executive and Director of Finance. They have either supported the content, or their feedback has informed the development of the content presented in this report.

2.4 Recommendation

The paper is provided for:

- **Awareness** – For Members' assurance and information

The Finance, Performance & Resources Committee is invited to review the arrangements put in place for continued governance during the pandemic period and reflect on their appropriateness.

3 List of appendices

The following appendices are included with this report:

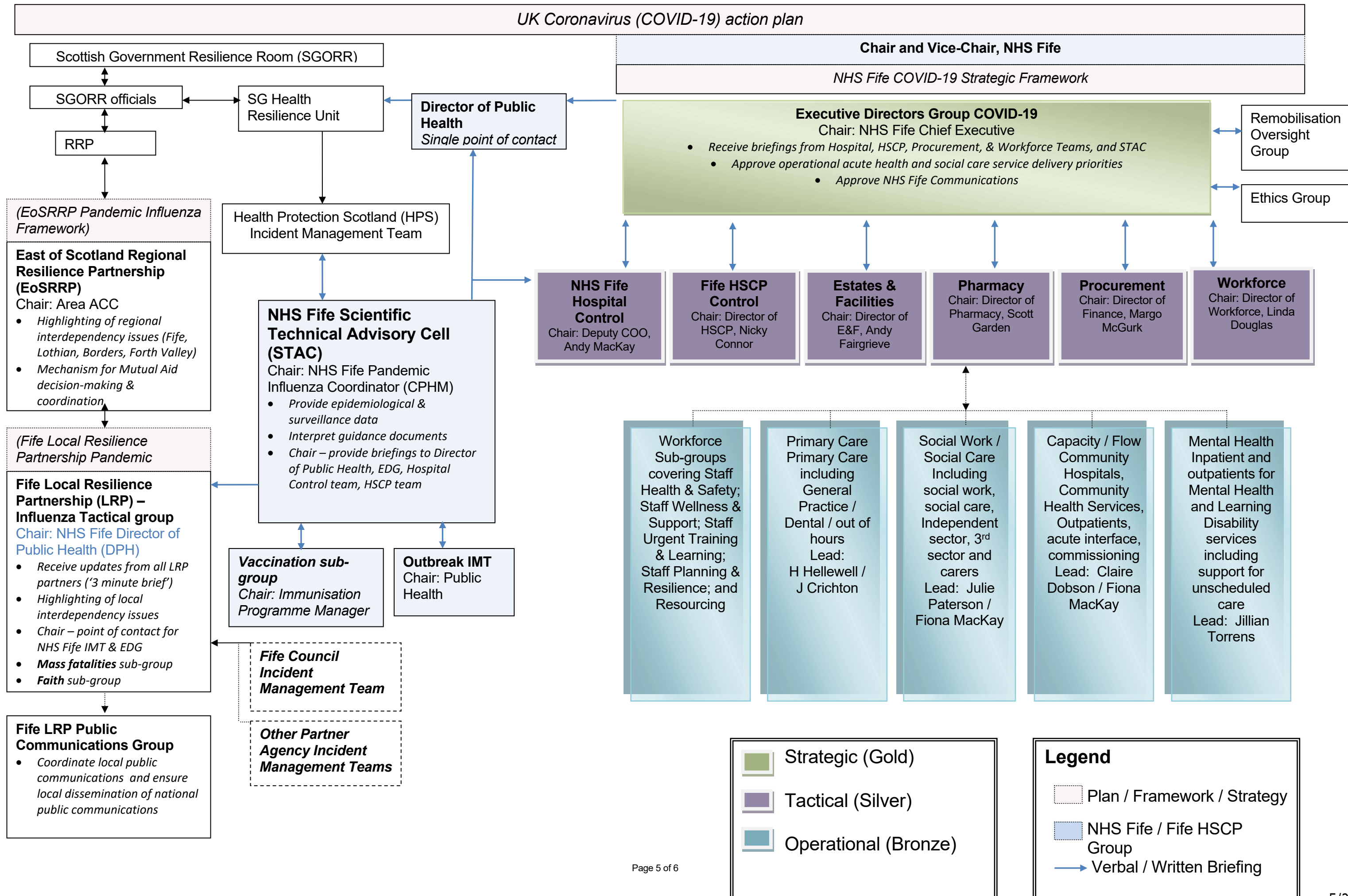
- Appendix A – Covid-19 Pandemic Organisational Structure Chart

Report Contact

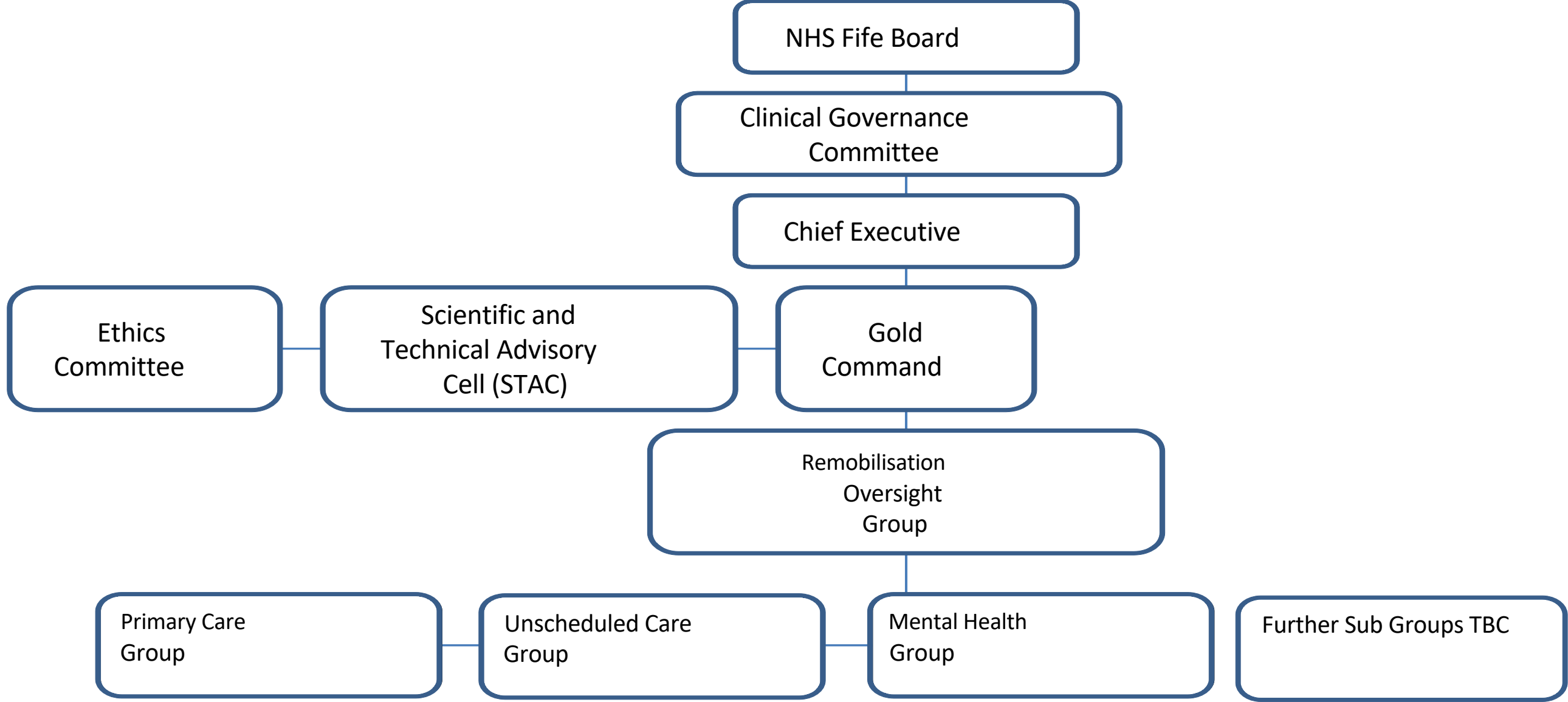
Gillian MacIntosh

Head of Corporate Governance & Board Secretary

gillian.macintosh@nhs.net



Governance Structure of Short Term Remobilisation Oversight Group



* Director of Health and Social Care will take the work of this group through the IJB

| | |
|-------------------------------|---|
| Meeting: | Finance, Performance and Resources Committee |
| Meeting date: | 17 June 2020 |
| Title: | COVID 19 Audit Scotland |
| Responsible Executive: | Margo McGurk, Director of Finance |
| Report Author: | Margo McGurk, Director of Finance |

1 Purpose

This is presented to the Board for:

- Awareness

This report relates to a:

- Government policy/directive
- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The purpose of this paper is to provide information to the Finance, Performance & Resources Committee regarding the Audit Scotland approach to audit during Covid 19.

2.2 Background

The paper sets out the phased approach to public audit processes during the pandemic.

2.3 Assessment

The paper describes the context to their revised approach during the pandemic with specific reference to financial and performance audits.

2.3.1 Quality/ Patient Care

N/A

2.3.2 Workforce

The paper references the need to be flexible with audit resources during this time.

2.3.3 Financial

N/A

2.3.4 Risk Assessment/Management

NHS Fife are working collaboratively with Audit Scotland to minimise the impact on the audit of the 2019/20 financial statements.

2.3.5 Equality and Diversity, including health inequalities

Impact assessment not yet completed.

2.3.6 Other impact

N/A.

2.3.7 Communication, involvement, engagement and consultation

The NHS Fife Board was advised of the revised process and timeline for the 2019/20 audit at the May Board meeting.

2.3.8 Route to the Meeting

This is the first presentation of the report.

2.4 Recommendation

- **Awareness** – For Members' information only.

3 List of appendices

The following appendices are included with this report:

- 3.2 Briefing Impact on Public Audit

Report Contact

Margo McGurk

Director of Finance

Email margo.mcgurk@nhs.net

COVID-19

What it means for public audit in Scotland



May 2020

Our approach

Context

- Public bodies are under exceptional pressure as they manage the impact of the pandemic.
- Guidance and deadlines for financial reporting have been amended to reflect this.
- It will be some time before we fully understand the impact on public services and finances.

Audit Scotland's principles

- Our approach to audit will be flexible, pragmatic and consistent.
- Sound financial management and effective governance are more important than ever.
- Audit has a key role in providing assurance and aiding scrutiny during these difficult circumstances, and we will prioritise quality and independence.
- Our work needs to reflect the impact of COVID-19 on public services but also maintain a focus on the other key challenges facing Scotland's public sector.
- We will safeguard the health and wellbeing of our colleagues at all times.

Financial audit

- To reflect the pressure on public bodies, the deadlines for preparing accounts for public bodies are being extended. These changes will impact on timings for audit work and reporting.
- Standard-setters are allowing bodies to streamline the information they provide in performance and accountability reports, but financial statements remain unchanged.
- There is considerable uncertainty and volatility in individual bodies' capacity for reporting and engaging with audit.
- Governance will be a key focus, including the new arrangements put in place by public bodies in response to COVID-19.
- We will work with colleagues, including contracted audit firms, to promote consistency of judgement on complex issues.
- We will maintain audit quality while being flexible about timelines.

Performance audit

- The majority of performance audit work has been paused as we review our work programme and our capacity.
- Those audits that were either completed or very close to completion are being published.
- Others are being reviewed on a case-by-case basis.
- We are reviewing our forward work programme to reflect the new risks and challenges public bodies face.

Resourcing

- We will need to be flexible with our resources to manage the changing timescales and priorities.
- We will seek to mitigate the impact of remote working on our audits.
- The Auditor General for Scotland and the Accounts Commission are considering extending the current audit appointments by a year.

Future COVID-19 audit work

Overview

Audit Scotland is committed to helping Parliament and the public understand how public money has been used during this crisis and ensure lessons are learned for the future.

The complex and dynamic nature of the COVID-19 crisis means we will need to take a phased approach.

Phase 1 (short term)

- Briefing the Scottish Parliament on emerging audit risks linked to the public sector response to COVID-19.
- Considering what this means for our future work programme and the work of the Parliament's Public Audit and Post-Legislative Scrutiny Committee (PAPLS).

Phase 2 (medium term)

- Developing the work programme to consider the impact of COVID-19 on:
 - specific sectors (eg, NHS, further and higher education, justice, local government)
 - policy commitments (eg, early learning and childcare expansion, addressing child poverty)
 - thematic issues raised by COVID-19 (eg, the impact on Scotland's public finances, fraud risk management, inequalities).


Phase 3 (longer term)

- Identifying lessons that can be learnt from the public sector's response.
- Assessing the outcomes achieved from key Scottish Government spending and programmes related to COVID-19.
- Aligning our work programme with the Scottish Government's work to rebuild Scotland's economy, remove inequality and advance wellbeing.

COVID-19

What it means for public audit in Scotland

This report is available in PDF and RTF formats,
along with a podcast summary at:
www.audit-scotland.gov.uk 

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format and/or language, please contact us to
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|-------------------------------|---|
| Meeting: | Finance, Performance & Resources Committee |
| Meeting date: | 17 June 2020 |
| Title: | Financial Plan COVID 19 Response |
| Responsible Executive: | Margo McGurk, Director of Finance |
| Report Author: | Margo McGurk, Director of Finance |

1 Purpose

This is presented to the Board for:

- Awareness

This report relates to a:

- Annual Operational Plan
- NHS Board/Integration Joint Board Strategy or Direction
- National Health & Well-Being Outcomes

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The purpose of this paper is to update the Committee on the process and timeline for the Financial Plan Covid 19 and the broader AOP Financial Plan.

2.2 Background

The financial plan supporting the initial COVID 19 Mobilisation response has been developing over the last 3 months with the latest version submitted to Scottish Government on 18 May 2020. This will be updated again and resubmitted on 22 June 2020.

2.3 Assessment

This plan covers the projected costs in relation to Health Board and HSCP spend in 2019/21 and 2020/21. The projected costs at that point were £22m (NHS Fife) and £33.5m (HSCP) total of £55.5m.

The initial mobilisation forecast costs for 2020/21 are based on “worst case scenario – full year costs”, this unprecedented level of cost nationally is being assessed by Scottish Government. A national benchmarking exercise is underway as is a review of the forecast costs against the revised Scottish Government impact modelling on the infection rates across Scotland. It is likely that this review and the local Board review of forecast spend (particularly in the context of the revised impact modelling) will confirm a reduction in costs in some areas.

At a recent meeting of the Health Board Directors of Finance it was agreed that more detailed service planning is required to reliably quantify costs to support remobilisation of services. This is particularly due to the requirement to continue physical distancing which will reduce activity and productivity in all care settings. Directors of Finance will however work towards producing revised financial plans for 2020/21 by July 2020. These plans will reflect the actual costs of mobilisation coming through in quarter 1 and will also a more detailed level of planning in relation to the cost impact of remobilisation.

As part of the revised financial plan we are reviewing the costs around maintaining the COVID Hub & Assessment centres, this will involve consideration of current activity and staffing levels and potentially links across to other emerging aspects of the remobilisation plan including supporting test and protect.

It is inevitable that 2020/21 will be a transitional year where we consider and embrace plans for the “new normal” and how that can be delivered in a sustainable and affordable way. Within NHS Fife we will develop a 3-year financial plan which supports investment and disinvestment and which delivers prioritised and impact assessed financial arrangements. We will create financial models to present the tests of change already mobilised. This will take time and engagement to deliver robustly.

A full report of the year to date financial position and the financial plan for 2020/21 will be presented to the July 2020 meeting of the Committee.

2.3.1 Quality/ Patient Care

Effective resource allocation supports the delivery of quality patient care.

2.3.2 Workforce

The impact on workforce during the pandemic will be considered appropriately when developing the financial plan.

2.3.3 Financial

The impact on finance across all public sector bodies in 2020/21 will be significant. All efforts to mitigate this will be considered as part of the developing remobilisation plan.

2.3.4 Risk Assessment/Management

Effective management of all resourcing risks will be critical.

2.3.5 Equality and Diversity, including health inequalities

An impact assessment will be completed to support the financial plan.

2.3.6 Other impact

Not yet fully quantified.

2.3.7 Communication, involvement, engagement and consultation

The financial plan remains in development and is subject to a range of internal and external factors. The current position was communicated to both EMT and the NHS Fife Board during May 2020.

2.3.8 Route to the Meeting

This is the first presentation of this paper.

2.4 Recommendation

- **Awareness** – For Members' information only.

3 List of appendices

N/A

Report Contact

Margo McGurk

Director of Finance

Email margo.mcgurk@nhs.net

| | |
|-------------------------------|---|
| Meeting: | Finance, Performance and Resources Committee |
| Meeting date: | 17 June 2020 |
| Title: | Committee Reflection on Internal Audit Governance Checklist (COVID 19) |
| Responsible Executive: | Margo McGurk, Director of Finance |
| Report Author: | Margo McGurk, Director of Finance |

1 Purpose

This is presented to the Committee for:

- Awareness
- Discussion

This report relates to a:

- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The purpose of this paper is to invite the Finance, Performance & Resources Committee to reflect on the Internal Audit Governance Checklist provided to support the work of NHS Boards and Committees during the pandemic. Annex 1 sets out the specific parts of that checklist relevant to the work of this Committee.

2.2 Background

The FTF Internal Audit Consortium have developed this helpful governance checklist which can be used to support local governance processes during the pandemic.

2.3 Assessment

The Committee is asked to assess to consider the checklist and consider whether it should be used to support the governance process during the pandemic.

2.3.1 Quality/ Patient Care

N/A.

2.3.2 Workforce

N/A.

2.3.3 Financial

N/A.

2.3.4 Risk Assessment/Management

N/A.

2.3.5 Equality and Diversity, including health inequalities

N/A.

2.3.6 Other impact

N/A.

2.3.7 Communication, involvement, engagement and consultation

N/A.

2.3.8 Route to the Meeting

This is the first presentation of the governance checklist.

2.4 Recommendation

- **Awareness** – For Members' information only.

3 List of appendices

The following appendices are included with this report:

- 3.4 Governance Checklist

Report Contact

Margo McGurk

Director of Finance

Email margo.mcgurk@nhs.net

COVID-19 GOVERNANCE QUESTIONNAIRE (FPR)

| Risk | Related Governance Questions | Response Y/N/Partly |
|---|--|---------------------|
| The overarching FHB Covid Response Plan is inadequate | | |
| | Has a comprehensive Covid Response Plan or plans been prepared and made available | |
| | How was it prepared, by whom and on what basis | |
| | Have key risks been identified and assigned and are these being overtly mitigated and reported in a manner conversant with both the extant guidance on risk and the fluid situation. | |
| | Does it cover all key areas - e.g. overall Governance, Partnerships, Clinical, Information, Finance, Risk, Estates, Communications (external & Internal), Workforce, Supplies, IT. | |
| | Has the plan been developed in consultation with all key players, including senior Clinical, Nursing and HSCP stakeholders | |
| | Has it been approved formally by the Board | |
| FHB Corporate Governance Arrangements (Board and Sub - Committees) fail to operate effectively during Covid Crisis | | |
| | Is the Board able to meet effectively during the crisis | |
| | How is required openness and transparency being maintained and assured about decisions made during this period with a curtailed governance framework, including with the general public. Are there any key indicators? | |
| | Is the Board and being kept up to date with all key information (e.g. on finances, staffing, clinical matters, infrastructure, IT, Performance, Covid related statistics). How has the Board decided on its information priorities. | |
| | Is the Board considering and measuring the potential impact on it's ability to meet key performance targets and how it might address potential shortfalls | |
| | Have these arrangements been agreed formally by the Board - is there an appropriate and agreed decision making process | |
| | Have arrangements been made to ensure the Annual Accounts Process can be completed timeously | |
| | Have arrangements been made to facilitate the statutory audit | |
| | Have all the required assurances been received and reviewed. If the Board is not receiving reports they normally would do, what is the risk associated with this and is there a process to risk assess which reports should continue to come to Baard. | |

| Risk | Related Governance Questions | Response Y/N/Partly |
|--|---|---------------------|
| | Have arrangements been made to enable the Audit and Risk Committee to review the Annual Accounts and Governance Statement in line with requirements | |
| | Has the rationale behind these preparations been set out and agreed by the Board | |
| | Will the new HCS/AOP take into account the likely impact on Targets and how will this be addressed | |
| | Will the workforce strategy be revised, including to reflect any potential changes to working and service delivery methods (shared services, e/home working, eHealth) | |
| Covid may have a serious impact on FHB's Financial Position | | |
| | Has a reasoned assessment been made of the extra costs likely to be incurred through Covid | |
| | Are there adequate authority/approval for the additional expenditure and is it limited | |
| | Are these extra costs being separately recorded and monitored both capital and current | |
| | Are the financial arrangements being developed and co-ordinated with the IJBs/HSCPs | |
| FHB has insufficient arrangements to ensure it has sufficient supplies/equipment to handle the current crisis | | |
| | Are key suppliers still in a position to deliver the required services (as a result of their own coronavirus issues), have alternatives been identified if not. | |
| | Are stock/equipment monitoring arrangements sufficiently robust to cope with sudden high demand for key items - e.g. PPE, Ventilators, sanitisers, oxygen, beds | |
| | Are stock levels and storage facilities being managed so as to enable storage of high demand items | |
| | Have adequate arrangements been made to liaise with the SG and other NHS/LA bodies on emergency supplies | |
| | Are there adequate arrangements to identify and prioritise locations with high/low stocks and arrange transfers as appropriate | |

| Risk | Related Governance Questions | Response Y/N/Partly |
|------|---|---------------------|
| | Are there adequate staffing and transport arrangements to handle deliveries and transfers | |