














Council of Governors

Schedule Thursday 9 November 2023, 12:00 PM — 2:00 PM GMT
Organiser Hannah Sullivan

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Date and Time of Next Meeting: Thursday 11 January 2024, 12.00-14.00

Agenda

BIRMINGHAM AND SOLIHULL MENTAL HEALTH NHS FOUNDATION TRUST
Council of Governors
12.00, Thursday 9 November 2023
MS Teams
AGENDA

Ref	Item	Purpose	Report type	Time
0	Staff Story- Integrated community Care & Recovery Services (ICCR)			12:00
1	Chair's Welcome and Introduction			12.20
2	Apologies for absence			
3	Declarations of interest			
4	Minutes of meeting held on 14 September 2023	Approval	Enc	12.25
5	Matters arising from meeting held on 14 September 2023	Assurance	Enc	
6	Chair's Report <i>Phil Gayle, Chair</i>	Assurance	Enc	12.30
7	Chief Executive's Report <i>Roisin Fallon-Williams, Chief Executive Officer</i>	Assurance	Enc	12.45
Governance				
8	Nomination and Remuneration Committee Terms of Reference <i>David Tita, Associate Director of Corporate Governance</i>	Approval	Enc	13:00
9	Council of Governors Self-Assessment Feedback <i>Hannah Sullivan, Corporate Governance and Membership Manager</i>	Assurance	Verbal	13.10
Performance and Partnerships				
10	Finance Report	Assurance	Enc	13.15
Assurance Reports				
11	Quality, Patient Experience and Safety Committee Report <i>Linda Cullen, Non-Executive Director</i>	Assurance	Enc	13.20
12	Finance, Performance and Productivity Committee Report <i>Bal Claire, Non-Executive Director</i>	Assurance	Enc	13.30
13	People Committee Report <i>Monica Shafaq, Non-Executive Director</i>	Assurance	Enc	13.40
14	Audit Committee Report <i>Winston Weir, Non-Executive Director</i>	Assurance	Enc	13.50
15	Any other business			
Close by 14.00				
Date and Time of Next Meeting: Thursday 11 January 2024, 12.00-14.00				

Staff Story- Integrated community Care & Recovery Services (ICCR)

1. Chair's Welcome and Introduction

2. Apologies for absence

3. Declarations of interest

4. Minutes of meeting held on 14 September 2023

MEETING	MINUTES OF THE COUNCIL OF GOVERNORS MEETING
DATE	14 SEPTEMBER 2023
LOCATION	SEMINAR ROOM, JUNIPER CENTRE

ATTENDANCE	NAME	TITLE
Present	Phil Gayle	Trust Chair
	Roisin Fallon- Williams	Chief Executive
	Victoria Fewster	Service User Governor
	John Travers	Lead Governor
	Leona Tasab	Clinical Staff Governor
	Ken Meeson	Stakeholder Governor
	Mick Brown	Stakeholder Governor
	Mustak Mirza	Deputy Lead Governor
	Faheem Uddin	Service User Governor
In attendance	Winston Weir	Non- Executive Director
	Linda Cullen	Non- Executive Director
	Bal Claire	Non- Executive Director
	Hannah Sullivan	Corporate Governance and Membership Manager
	David Tita	Associate Director of Governance
	Katrina Cleverley	Company Secretary

AGENDA ITEM	DISCUSSION	ACTION (Owner)
1.	APOLOGIES FOR ABSENCE Tom McNeil Chris Barber Imran Waheed Harpal Bath Monica Shafaq Umar Ali Anne Baines Jim Chapman	
2.	Introductions and Welcome The Chair welcomed all to the meeting and thanked them for their attendance.	
3.	Declaration of Interests There were no declarations of interest to be noted.	
4.	Minutes from the previous meeting It was agreed the minutes of the previous meeting would be reviewed and approved at the November 23 meeting. ACTION: Minutes of the previous meeting to be reviewed and approved at the November 23 meeting. H. Sullivan to include on agenda.	H. Sullivan
5.	Matters Arising & Action Log There were no matters arising for discussion.	
6.	Chairs Report	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>P. Gayle presented the Chairs Report and summarised the key points as follows :</p> <ul style="list-style-type: none"> • Weekly visits are planned across Trust sites, since the last meeting P. Gayle has visited Endeavor Court, Ashcroft Services supported by Mustak Mirza, Lyndon Clinic, the Barberry, Hillis Lodge, Northfield and finally our Liaison Psychiatry services based at Good Hope Hospital. P. Gayle noted he has been humbled by staffs dedication to delivering the best possible services. • As reported in the previous chairs report I meet monthly with Shane Bray, Managing Director of Summerhill Supplies Limited. Our meetings are beneficial as they allow me the opportunity to hear about future developments and challenges SSL experience. • P.Gayle was pleased to be able to meet with Mr Andrew Mitchell, MP, at Good Hope Hospital with the intention of showcase the wonderful Psychiatric Liaison team at Good Hope Hospital. However, due to Andrew Mitchel double diary appointments and his time constraints he met with one of our staff members and asked him about the service but didn't get the chance to visit the area they work. However, this visit allowed Mr Mitchell to hear about the services provided first hand to individuals within his constituency. We have agreed to re-book a visit for him to have more time to meet staff and the location where the team is based. • P. Gayle pleased to be able to meet with Mr Gary Sambrook, MP, at Hillis Lodge. This was a great opportunity for us to meet and discuss the ongoing areas of development within his constituency. As above he too was constrained by time and will be returning to the site to undertake a full visit of the whole service. • Following robust recruitment processes two new Non Executive Directors will be joining the Trust in the coming months, both Susan Bedward and Thomas Kearny, will be welcomed. <p>L. Tasab queried the flu CQUINN and impact on financial fines highlighting the current uptake is low and a concern. She noted staffs frustrations in relation the language used in association with flu and incentives being limited.</p> <p>R. Fallon- Williams confirmed the agreed approach for flu is mulit factored and all perspectives are being reviewed to ensure the best possible uptake through locally led management.</p> <p>The report was noted with no further comments.</p>	
7.	<p>Chief Executives Update</p> <p>R. Fallon- Williams presented the Chief Executive report and highlighted the salient points as follows:</p> <p>Sustainability- The Trust has seen its funding increase by £10m in the last month to cover the costs of the recently agreed pay award for Agenda for Change staff – this covers the £6m cost for staff directly employed by the Trust, as well as the funding we pass on to other organisations for services we commission.</p> <p>Sustainability- Discussions are underway between Directors of Strategy to identify opportunities to work at scale to address immediate pressures and waiting times for ADHD. The collaborative has been agreed to raise the lack of funding and commissioning gaps with the national team in order to help develop a direction.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>Sustainability- NHS England visit was successful with staff at The Barberrry and a great opportunity to showcase our mental health services.</p> <p>Quality- The Trust has had a response from the CQC relating to the requirement to continue submitting monthly reports for the Section 31 notice. While we were hopeful that these conditions would have been removed, we have been advised that the CQC would need to conduct a further inspection to assure themselves before this can happen.</p> <p>Quality- We have in recent weeks finalised and agreed a next phase approach to our QI, alongside additional resources and an enhanced strategic role for Dr Renata Rowe.</p> <p>Acute and Urgent Care- Flexible working arrangements have been taken up by more staff to ensure a healthy work-life balance and this is being supported by senior leaders as part of the division's workforce retention efforts. There remains, however continuing pressures associated with lower than desired staffing levels and initiatives continue to be explored to improve the workforce numbers. A focus on staff health and wellbeing and a call for Health and Wellbeing champions to support implementation of the work is in force.</p> <p>Secure Care & Offender Health (SCOH)- Services continue to experience RMN shortages across the men's and women's services impacting on clinical activities. Ward managers and Clinical Nurse Managers/Matrons meet daily on each site to prioritise work and assess shortfalls. Recruitment continues.</p> <p>Integrated Community Care and Recovery (ICCR)- ICCR have been working closely with partners across Birmingham supporting the community integrator developments. Efficiencies can be made in joining community mental health transformation, and we have already been able to share the good practice and developments of our multi agency teams meetings, as part of community transformation.</p> <p>Dementia & Frailty- Progress continues to be made on finalising the update to the operational framework and the operating procedure for the therapies only pathway.</p> <p>K. Meeson noted the fantastic work of the Mental Health Legislation Team during a time of particularly high demand and commended their on going hard work and dedication.</p> <p>There was a detailed discussion in relation to ongoing financial challenges and the opportunities for the ICB savings framework to support internal savings. It was confirmed the long term review will support the decision making and ensure the delivery of services and developments and ongoing demands in both primary and secondary care.</p> <p>It was confirmed the CQC have now responded to the Trust, acknowledging the submission for the Section 29 notice that was made in January. They have requested an update on actions and the response is being developed for submission.</p> <p>We have also had a response from the CQC relating to the requirement to continue submitting monthly reports for the Section 31 notice. While we were hopeful that these conditions would have been removed, we have been advised that the CQC would need to conduct a further inspection to assure themselves before this can happen.</p> <p>J. Travers queried whether the Board of Directors feel confident in relation to the responses due for submission?</p> <p>It was confirmed that work is ongoing since the initial inspection and the Trust continue to prepare responses in line with requests. Overall the themes raised were not unexpected.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>There was a detailed discussion in relation to the impact following the Lucy Letby case and the need to recognise and respond to information being received as a Trust and ensure staff feel valued and heard when raising concerns.</p> <p>The Chair thanked R. Fallon- Williams for the detail report and updates.</p>	
8.	GOVERNANCE	
8.1	<p>Elections update</p> <p>The Council were assured the elections process is underway will ballots going live 1 November 2023 for formal voting. Results will be presented to the January 2024 meeting.</p>	
8.2	<p>Nomination and Remuneration Committee update</p> <p>The Council were assured to date there have been 3 meetings since April 2023 these were to ratify the recruitment of the Chair, approve the additional allowances for the Audit Chair and Senior Independent Director and to ratify the recruitment of the newly appointed Non- Executive Directors and approval of additional allowances for the Vice Chair.</p> <p>An additional meeting will be scheduled during November 2023 to endorse the recruitment process for the Chief Nurse.</p>	
9.	<p>Finance Report</p> <p>The Council noted the Finance Report and received this for information purposes.</p>	
10.	<p>Provider Collaboratives update</p> <p>The Council noted the development of a Lead Governor advisory group and were assured the formal process is in place to recruit a Chair.</p>	
11.1	<p>Report from the Chair of Quality, Patient Experience and Safety Committee</p> <p>The Council received assurance reports from August and September meetings, noting work ongoing against CQC actions to ensure improvement against all areas. The Committee had received assurance on safer staffing and the utilisation of the Mental Health Optimising Staffing Tool (MHOST), along with implementation of SafeCare and e-roster systems. L. Cullen advised that a detailed discussion on the implications of the Lucy Letby case would be held and patient safety actions monitored through the Committee and the new Patient Safety Incident Response Framework.</p> <p>The Council acknowledged the ongoing clinical pressures and thanked staff for the improvements in the standard of care that are being driven through the Quality Improvement Strategy.</p> <p>There was a detailed discussion in relation to the flu campaign and need to be flexible for staff to allow for greater uptake.</p> <p>P. Gayle highlighted the impactful staff story presented to People Committee and agreed the need to address key issues across Trust sites and to ensure the Board are being made aware of issues staff are having in relation to the facilities on site that impacts overall moral. The frustrations of staff were heard and issues raised are being addressed as a priority.</p> <p>There was a detailed discussion in relation to the ramifications of Birmingham City Council declaring bankruptcy and the impact on AMPS.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>The Council were assured core services are being protected and that partnership work through the ICB will continue to address ongoing concerns on delivery of services.</p> <p>M. Brown noted the concerns in relation to the Complaints team and asked for assurance from Non- Executive colleagues that these are being addressed appropriately.</p> <p>The Council were assured additional resources has been bought into the team to meet the demand. The Council were assured the vacancy freeze has not been endorsed by the Trust.</p> <p>P. Gayle confirmed the use of agency is being reviewed at national level with decisions ensuring there is no impact of the delivery of services. The Trust continue to work collaboratively to address the on going demand.</p> <p>The thanked L. Cullen for the detail report and updates.</p>	
11.2	<p>Report from the Chair of FPP</p> <p>The Council received assurance reports from August and September meetings. The common theme from both meetings related to achievement of the year-end breakeven position and challenges related to out of area placements. The Committee was assured that work had already begun on budget setting for 2023/24, and the Medium-Term Financial Plan. The Committee had also considered the Emergency Preparedness, Resilience and Response Report.</p> <p>P. Gayle thanked W. Weir for the detailed report.</p>	
11.3	<p>Report from the Chair of People Committee</p> <p>The Council received assurance reports from August and September meetings.</p> <p>The Council noted the Staff story and concerns raised. The Committee received an overview of facilities at Endeavour House, which is a stand alone unit. It was clear that colleague sanitary and refreshment facilities were very inadequate. Members were very concerned that this situation had arisen and although some issues had been addressed specifically they were not assured this was an isolated position. They requested that an assessment be made for appropriate facilities for all colleagues. This should supplement the Health and Wellbeing Audit currently underway. It was confirmed a charity bid has been applied for funding for breakout rooms across the Trust.</p> <p>The Council were assured the concerns raised will be escalated to the Board of Directors.</p>	
12.	<p>AOB</p> <p>Membership Engagement and Governor Involvement Strategy</p> <p>H. Sullivan presented the updated Membership Engagement and Governor Involvement Strategy for approval.</p> <p><i>DECISION: Membership Engagement and Governor Involvement Strategy approved.</i></p> <p>Annual General Meeting</p> <p>H. Sullivan confirmed the date of the Annual General Meeting and confirmed the Governors presentation is open for any Governor to present should they want to be involved on stage.</p>	
13.	<p>Close of meeting</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	P. Gayle thanked all in attendance for their contributions.	
18.	Date & Time of Next Meeting 12 Noon, 9 November 2023	

DRAFT

MEETING	MINUTES OF THE COUNCIL OF GOVERNORS MEETING
DATE	8th JUNE 2023
LOCATION	VIA MICROSOFT TEAMS VIDEO MEETING

ATTENDANCE	NAME AND TITLE
Present	Phil Gayle - Trust Chair
	Roisin Fallon-Williams - Chief Executive
	John Travers - Lead Governor
	Ken Meeson - Stakeholder Governor
	Mustak Mirza - Deputy Lead Governor
	Leona Tasab - Clinical Staff Governor
	Imran Waheed - Clinical Staff Governor
	Christopher Barber - Public Governor
	Harpal Bath - Stakeholder Governor
	Victoria Fewster - Service User Governor
Ntensia Kokedima - Service User Governor	
In attendance	Monica Shafaq - Non-Executive Director
	Linda Cullen - Non-Executive Director
	Anne Baines - Non-Executive Director
	Phil Gayle - Non- Executive Director
	Bal Claire - Non- Executive Director
	Roisin Fallon-Williams - CEO
	Richard Sollars - Deputy Director of Finance
	Shane Bray - Managing Director – SSL
	David Tita - Associate Director of Corporate Governance/ Interim Company Secretary (Minutes taker)

AGENDA ITEM	DISCUSSION	ACTION (Owner)
1.	APOLOGIES FOR ABSENCE Winston Weir Linda Cullen Hannah Sullivan	
2.	Introductions and Welcome P. Gayle welcomed everyone to the meeting and indicated that B. Claire is hoping to join the meeting as he is in London while M. Mirza noted that J. Travers is running slightly late as he is driving to the Uffculme Centre from where he will join the meeting.	
3.	Declaration of Interests There were no declarations of interest to be noted.	
4.	Minutes from the previous meeting P. Gayle went through the minutes of the previous meeting held on 11th May 2023 and V. Fewster flagged that she was a bit concerned that none of her comments at the last meeting was captured in the minutes. P. Gayle	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>acknowledged V. Fewster`s concern and requested that her comments should be captured in the amended minutes. Minutes were approved subject to the above amendment.</p> <p>Action: Minutes of CoG held on 11th May 2023 to be amended to include V. Fewster`s comments.</p>	<p>H. Sullivan</p>
<p>5.</p>	<p>Matters Arising & Action Log There were no matters arising for discussion.</p> <p>P. Gayle noted that all actions on the action log were RAG-rated `green` which means they had either been circulated to members for completion or were on the agenda for today.</p>	
<p>6.</p>	<p>Chairs Report P. Gayle presented the chair`s report and noted the buddy schedule of NEDs and Governors regarding joint site visits which has now been published and indicated that most NEDs and Governors now have their DBS in place.</p> <p>P. Gayle then noted that he continues to hold monthly meetings with Professor David Sallah from the Birmingham Community Healthcare NHS Foundation Trust with which through partnership working we jointly share the Director of Digital as we are a digital exemplar at BSMHFT. P. Gayle also confirmed that he has met a few times with Andy Cave and Richard Burden of HealthWatch as they hold us to account for the quality of services we provide to our patients.</p> <p>P. Gayle also noted that he met with Shane Bray, who's the managing director of Summerhill Supplies Limited which is our subsidiary company that takes care of our estates. The meeting enabled him to get a full understanding of the work that they do and the challenges around our estates. P. Gayle confirmed that he was filmed with the Trust`s FTSU Guardian as part of their comms awareness raising throughout the Trust. He will continue to meet with them in the context of promoting the service that they do.</p> <p>P. Gayle then noted that he attended the Staff Values Awards ceremony, which was held at the Birmingham City Council as this was the first in-person Staff Values Award to be held since the lockdown in 2019. He said that it was a fantastic event, and that staff will be looking forward to attending it next year.</p> <p>P. Gayle confirmed that he and J. Travers have now completed NEDs appraisals and they have received their feedback. He further confirmed that he also chaired the interview process for the recruitment of the Company Secretary and was happy to announce that the Trust has successfully appointed Kat Cleverly despite the challenges with recruiting to this post, giving the difficulties with filling such a role due to high demand. He also stated that he recently chaired the recruitment process for a Consultant at the Reaside Clinic and successfully appointed an individual to the post.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>P. Gayle noted that he visited the Small Heath Health Clinic and spoke with and listen to colleagues` concerns around the EDEN PICU, and that he had gone with Anna Sykes, Head of Communication to present a lifetime achievement award to a member of staff as well as to visit the unit and spoke with staff. He equally noted that he continues to attend the BSOL monthly Chair`s meeting and the Integrated Care Partnership meetings.</p> <p>L. Tasab noted that the Staff Award event was fantastic and that it was great to be around with staff listening to them talk about the wonderful work that they do.</p>	
<p>7.</p>	<p>Chief Executive`s Report</p> <p>R. Fallon- Williams presented the Chief Executive report and highlighted the following salient points:</p> <ul style="list-style-type: none"> • Industrial action - actions that were undertaken by the Trust to mitigate the negative impact of the Junior Doctor`s Industrial Action which took place from 11th –14th April 2023 included: - a ‘back up’ rota for all 64 shifts within the period of industrial action while Junior Doctor`s clinics were either cancelled or re-arranged. Our consultants are currently being balloted about the idea of industrial action and potentially in July and we'll know more about that at the end of the month while the RCN are also balloting their members around whether or not to take more industrial actions. The Trust is obviously in a in a state of preparedness to minimise any disruption whilst supporting individuals to take industrial action which is their right. • Despite the fact the report talks quite positively about the fact that as a system we the investment in mental health has continued, this doesn't mean that from a mental health services perspective, both as an organisation and across the provider collaborative, that the Trust won`t be under significant challenges and financially pressures in this year. This emphasises why the Trust will continue to focus on performance issues in the areas of Out of Area, Urgent Care pathway and improving access to psychological therapies as paying attention to these issues will also improve our financial position. • Members of the CoG should note the development of the Birmingham and Solihull ICS 10-year strategy as the Trust has been heavily involved in its development through one of its consultants. • The Trust has submitted its detailed action plan in response to the CQC inspection report. • In terms of sickness – our sickness rate has decreased significantly since December 2022 as our rate in April was 4.8 which is the lowest, we have had since august 2020. • We are working collaboratively with our partners to address workforce issues as we are tackling the same issues and thinking about what a system wide delivery plan might look like as well as our own delivery plans around workforce. <p>I. Waheed noted that the BMA has announced an industrial action for consultants for 20th and 21st July, and observed however, that the mitigations to be applied here as compared to the Junior Doctor`s industrial action will be more challenging because of the seniority of the doctors involved and their involvement in the overall system of moving people on and discharging patients.</p> <p>I. Waheed then concluded that the Trust will need to think really hard on how to mitigate the risk to services giving the additional pressures this will</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>bring as the strike will happen over a weekend. R. Fallon- Williams acknowledged the scale of the challenge and confirmed that the Trust is working with the networks and representatives to push for some kind of resolutions.</p> <p>M. Mirza thanked P. Gayle for visiting Tamarind and spending a day with the peer support workers and while referring to the Children`s Commissioner`s (Dame Rachel`s Report) remarked that it isn`t very helpful as every child deserves good MH services giving the fact that there is growth in demand of 17% every year? R. Fallon- Williams confirmed how this is being addressed through working with the Birmingham City Children`s Trust and through the Provider Collaborative by considering how we work proactively in joining things up and giving children the optimum start, they need.</p> <p>K. Meeson noted the fact that reducing Out of Area and improving children`s MH will require a lot of work around collaborative working and commented that few of the children who access Ardently if any, are from the West Midlands and that there is nothing the Trust can do in addressing this as it will require a solution from central government.</p> <p>C. Barber while referring to page 33 of the bundle, asked if R. Fallon- Williams could expand on this extract “despite significant trust, investment and partnership engagement response to domestic abuse does not proportionate to demand in the city”. And he also asked that, what measures are being put in place to ensure that domestic abuse services are gender inclusive as a significant number of men are domestic abuse survivors?</p> <p>R. Fallon- Williams confirmed that the Trust referred to in the except above is the Birmingham City Children`s Trust, noted that BSMHFT is working collaboratively with partnerships via the Partnership Board in tackling issues around domestic violence while recognising the fact that men are also survivors of domestic abuse.</p> <p>P. Gayle then thanked R. Fallon- Williams for her comprehensive report.</p>	
<p>8.1</p>	<p>Draft (V1) Membership Engagement and Governor Involvement Strategy</p> <p>D. Tita presented the Membership Engagement and Governor Involvement Strategy noting that the purpose of bringing it to the CoG at this early stage is to engage governors in the process of updating it. D. Tita also stated that this Strategy provides a framework through which our Governors will engage with the membership and work with one another as well as sets out the Trust`s vision for membership and the methods that will be used to build an effective, responsive and representative membership body.</p> <p>D. Tita then concluded that the Membership Engagement and Governor Involvement Strategy draws inspiration from the Code of Conduct for Governors and the other documents that were produced by the `Task and Finished Group` in providing a framework in shaping how governors relate to and interact with one another.</p> <p>M. Shafaq noted that page 12 of the draft Strategy mentions governors` involvement in various staff networks, specifically those relating to disability, LGBTQ+ and faith networks and asked if this could be expanded upon and queried if it is appropriate for public governors to become involved in such networks?</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>Action: To expand the section on governors' involvement in various staff networks, e.g those relating to disability, LGBTQ+ and faith networks and confirm if it is appropriate for Public Governors to be involved in them?</p> <p>L. Tasab appreciated the provision of a strategy to define the roles, responsibilities, obligations etc of governors and requested that some of the recommendations around raising the profile of governors through posters etc should be taken forward.</p> <p>Action: To design a poster of governors showing their photos, names, how to contact them and what they do.</p> <p>P. Gayle highlighted the importance having posters of our governors in key places across the Trust and recognised the presence of Harpal Bath, whom he noted he should have introduced at the beginning of the meeting and announced that Tom McNeil, the Assistant Police and Crime Commissioner will be joining the CoG as a Stakeholder Governor.</p> <p>But for the clarification on page 12, members confirmed that they were happy with the draft Membership Engagement and Governor Involvement Strategy.</p> <p>Action: The Membership Engagement and Governor Involvement Strategy to be brought back for formal approval subject to the slight tweak requested on page 12.</p>	<p>H. Sullivan</p> <p>H. Sullivan</p> <p>H. Sullivan</p>
8.2	<p>Agenda - Board Meeting 7th June 2023</p> <p>Item for information only</p>	
8.3	<p>Council of Governors Annual Self-Assessment Questionnaire</p> <p>D. Tita presented this report noting that the purpose for the CoG Annual Self-Assessment survey is to enable the CoG to self-assess its effectiveness and the robustness of its governance arrangements as well as identify any gaps, learnings and areas for strengthening and improvements. D. Tita that stated that the self-assessment tool is structured into the following 5 broad themes and concluded it will be for members to agree on the mode of administration i.e. Paper-based or web-based.</p> <ol style="list-style-type: none"> 1. Statutory roles and responsibilities. 2. Relationship and representation. 3. Support and training. 4. Leadership and Chairing. 5. Deliberations and conduct of business. <p>Members agreed that the survey should be administered web-based however P. Gayle noted that those who prefer paper-based version will be served with hardcopies.</p> <p>Action: To design and administer a Monkey survey for the CoG Annual Self-Assessment and check that those who prefer paper-based versions are served with hardcopies.</p>	<p>H. Sullivan</p>

AGENDA ITEM	DISCUSSION	ACTION (Owner)
<p>8.4</p>	<p>Updated Trust Constitution</p> <p>D. Tita presented the updated Trust Constitution noting that it incorporates the additional responsibilities the Trust has embraced with regards the MHPC and also the suite of documents that were published by the `Task and Finished Group` which include `A Code of Conduct for Governors` and a document setting out the role and responsibilities of the Lead and Deputy Lead Governors.</p> <p>D. Tita then stated that the changes in the updated Constitution are subject to approval by the AGM on 26th September 2023.</p> <p>After some discussions around oversight and scrutiny of the Commissioning Committee and how governors could be kept aware of its activities for assurance, members recommended that the Chair in his report to the CoG should include an assurance-focused paragraph on the deliberations of CoCo.</p> <p>Members noted and approved the changes that have been made to the constitution.</p>	
<p>9.1</p>	<p>Finance Report</p> <p>The Finance report was for information only as it set out the Trust`s financial position noting that for month 1 2023/24, the Group position had a surplus of £59k, that is £59k adverse to the break-even plan as submitted to NHSE on 5.4.23. The finance report also reflected a £73k deficit for the Trust, £4k surplus for Summerhill Services Limited (SSL), a £21k deficit position for the Reach Out Provider Collaborative and a break-even position for the Mental Health Provider Collaborative (MHPC).</p>	
<p>9.2</p>	<p>SSL options paper - Contract Renewal – SSL owned sites</p> <p>R. Sollars introduced this paper noting that he will present it with S. Bray the managing Director of SSL. He noted that this paper has been through the Trust board where it was approved at its April meeting, however it was important for the CoG to be sighted on it. R. Sollars then concluded that the purpose of this paper today is fairly specific as it relates to some leased properties which the trust owns that are managed by with SSL.</p> <p>R. Sollars then added that there are currently three SSL-owned sites where the lease contract with the Trust has either expired or is shortly due to expire; Tamarind Centre (expired 30 November 2022), Ardenleigh and Juniper (expired 22 December 2021). He then added that the Trust is required to make a decision about how to continue the use of these sites and recommended that the three contracts be extended using the current terms and conditions to 30 November 2043.</p> <p>R. Sollars then informed the CoG that the Board has approved this recommendation and pre-approve the extension of Reaside, John Black and Maple Leaf Drive when they end on 31 December 2023 to the same date of 30 November 2043.</p> <p>J. Travers thanked R. Sollars for the report and asked NED members who were present at the CoG if they were satisfied with the various options around renewing the leases till 2043 (20years) as he just wanted some assurance from them? Both A. Baines and M. Shafaq confirmed they don`t</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
	<p>recalled considering the duration of the lease when they received this paper at either the FPP or the Board, and J. Travers then asked S. Bray if the 20 years lease is common within the industry?</p> <p>S. Bray responded that yes, this is standard within the industry, he however informed members of the CoG that he won't mind coming back sometimes in the future with a paper setting out the benefits and the multiple services that the SSL provides across the Trust. S. Bray then provided a quick overview of some of the facilities which SSL manages and noted that the SSL also provides services to the ICB and ICS amongst other customers.</p> <p>P. Gayle then thanked S. Bray, noting that members of the CoG and himself will be pleased to welcome him back in the future to inform them of the range of services and collaborative initiatives that the SSL is involved in, most of which he hasn't mentioned because of time constraints.</p> <p>Action: To inform the CoG of what the SSL does and the range of services and collaborative initiatives that it is involved in.</p>	S. Bray
10	<p>ICS Update</p> <p>J. Travers noted that he thought this item had been removed from the agenda and added that coincidentally many governors attended a briefing that was organised the previous evening by the ICB. Governors, J. Travers noted were briefed about approaches to community engagement with focus on equality, diversity, inclusion not only from a staff point of view, but also more widely as well. He also advised that he will forward the ICB briefing and presentation to D. Tita to circulate after the meeting.</p> <p>Action: J. Travers to forward the ICB Briefing and presentation to D. Tita to circulate to members of the CoG.</p>	D. Tita
11.1	<p>NED Assurance Reports: Report from the Chair of Quality, Patient Experience and Safety Committee</p> <p>The QPES Chair assurance report couldn't be presented as both the Chair and their deputy had sent their apologies. P. Gayle then asked members to email any questions they may have to L. Cullen.</p>	
11.2	<p>Report from the Chair of FPP</p> <p>P. Gayle asked if B. Claire was still online but was informed that it looks like he had boarded the train as he was attending while he was away in London. A. Baines then provided a verbal update from the FPP noting that the key areas of discussions at the FPP were around the financial position, our breakeven position and the difficult financial positions of Trusts within the ICS system.</p> <p>A. Baines then added the Trust was in a deficit of £58,000 as of last month (May 2023) and noted that members also discussed the strategic goals aligned with FPP within the context of the Trust's strategic priorities of Sustainability and Clinical Services. Hence, members reviewed the strategic goals for 2023/24 within the Sustainability and Clinical Services quadrants.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
<p>11.3</p>	<p>Report from the Chair of the People Committee</p> <p>A. Baines presented this report highlighting the following areas which the People Committee was alerting the CoG to:</p> <ul style="list-style-type: none"> • The Transforming Our Culture and Staff Experience Sub-Committee requested reporting on the new concern “Inappropriate attitude and behaviours” and an update on the reflection/planning tool to support the organisational gap analysis. Patient safety concerns remain higher than the national picture. • Ardenleigh reported high sick levels of short-term sickness with 3 staff currently working out of clinical areas due to pregnancy, also a service user with an extra package of care resulting in the establishment going over the funded 8 per shift. The vacancies across FCAMHS are being supported by block. <p>A. Baines then assured the CoG on the following areas:</p> <ul style="list-style-type: none"> • The 2023 RCN Jobs Fair was attended by Workforce, Recruitment and Clinical Managers which proved successful. 27 RMN's were interviewed on the day and 18 are subsequently in the process of being offered positions within the Trust. • The Trust's has had 3 international nurses start so far, with a further 39 in offer. We have funding from NHSE to recruit 40 nurses from overseas. • The approach to increase BAME staff in band 8A and above roles has been embedded into the organisational strategy and there is ongoing work to reduce inequality in recruitment. The trajectory shows that the BAME representation has improved in band 8B, C and D roles but has decreased in band 8A roles. • The Shaping Our Future Workforce sub-committee received the draft BSMHFT Strategic Workforce Plan 23/24. The sub-committee were grateful to receive this comprehensive document and unanimously agreed for it to progress to the People Committee for ratification. <p>A. Baines then concluded the People Committee would like to advise the CoG that: -</p> <ul style="list-style-type: none"> • At the end of Q4 Fundamental Training is showing an increase in all areas except Nursing, Operations and SPP. The reason for drop in the Operations area was Safeguarding Level 3 and ELS/ILS training compliances where staff either DNA or withdrawn from face-to-face training due to clinical workload. To increase the compliance of the areas, an email sent out to targeted areas' team managers/Ads to ensure that their staff attend training. <p>There were some discussions around the difficulties and challenges with recruiting to some posts while L. Tasab noted that staff on the shopfloor also faced difficulties with getting time to undertake their mandatory trainings. L. Tasab then added that there were some quick wins with the recruitment process in terms of BDR, reducing unconscious bias and putting together a pastoral support package for our internationally recruited colleagues.</p>	

AGENDA ITEM	DISCUSSION	ACTION (Owner)
12	<p>AOB</p> <p>P. Gayle noted that although not on the agenda, going forward he will advise that there should also be a Chair`s Assurance from the Charitable Funds Committee to the CoG, just like the other established Board Committees do.</p> <p>M. Shafaq, agreed with P. Gayle but noted that that there seems to be a lack of clarity in terms of what the charity is about and what it is supposed to do, while some areas within the Trust are fully aware of the Charity and how to make applications others have no idea of its existence, hence there is need for some communication.</p> <p>M. Shafaq also noted that the Charitable Funds Committee has in recent weeks redefined the approval process for applications for funding in terms of the scheme delegation, who can approve what and the process that needs to be followed. She advised that the Charitable Funds Committee is working and supporting those areas which need support with making applications and knowing how to access some of the funds that are available.</p> <p>P. Gayle then thanked everyone for attending the meeting and informed members that the next meeting will be held on 14th September 2023.</p>	
	<p>Date & Time of Next Meeting 12 Noon, 14th September 2023</p>	

5. Matters arising from meeting held on 14 September 2023

6. Chair's Report Phil Gayle, Chair

Meeting	COUNCIL OF GOVERNORS
Agenda item	Item 6
Paper title	CHAIR'S REPORT
Date	9 November 2023
Author	Phil Gayle, Chair
Executive sponsor	Phil Gayle, Chair

This paper is for (tick as appropriate):

<input type="checkbox"/> Action	<input type="checkbox"/> Discussion	<input checked="" type="checkbox"/> Assurance
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Executive summary & Recommendations:
 The report is presented to Council members to highlight key areas of involvement during the month and to report on key local and system wide issues.

Reason for consideration:
 Chair's report for information and accountability, an overview of key events and areas of focus

Previous consideration of report by:
 Not applicable.

Strategic priorities (which strategic priority is the report providing assurance on)
 Select Strategic Priority

Financial Implications (detail any financial implications)
 Not applicable for this report

Board Assurance Framework Risks: (detail any new risks associated with the delivery of the strategic priorities)
 Not applicable for this report

Equality impact assessments:
 Not applicable for this report

Engagement (detail any engagement with staff/service users)
 Engagement this month has been through introductory meetings with staff across the Trust.

BOARD OF DIRECTORS CHAIR'S REPORT

1. INTRODUCTION

I begin my report by firstly recognising the impact of pressures on our hardworking colleagues that we have seen continuing throughout the year and some of the causes that are compounding those pressures.

Visiting many of our services I have been made aware of the relentless operational pressures that our community services continue to experience with regards to service demand, waiting times and recruitment. However, I understand that transformational plans are taking place with regards our community services which should alleviate some of these pressures.

Our inpatient services also remain quite stretched with high demands for beds, coupled with recruitment challenges. In recognising the scale of these challenges, it is important to acknowledge the consequential impact this has on our staff. Our staff are continuing to work hard to provide the best quality of care to our patients and service users. As a Trust Board, we recognise the need to support our colleagues ensuring we prioritise the wellbeing of our colleagues and we will continue to be proactive in supporting them, offering Trust wellbeing support options.

2. CLINICAL SERVICES

2.1 NEDs are picking up pace and are visiting our Trust services, which will increase over the coming months. The uptake of governors attending visits is low and I would encourage our governors to connect with our NEDs to attend a site visit with them.

2.2 I have spent time visiting staff across Trust sites on a weekly basis and have been humbled by their dedication to delivering the best possible services. I have visited Endeavor Court, Ashcroft Services supported by Mustak Mirza, Lyndon Clinic, the Barberry, Hillis Lodge, Northfield, I met with staff from our Liaison Psychiatry services based at Good Hope Hospital.

Finally, I met the staff at Reservoir Court and had the opportunity to meet the Dementia and Frailty Team and see/ hear about the good work they are doing. I also had the opportunity to meet with our colleagues in the CMHT also working very well whilst coping with service challenges due to increased numbers of people requiring their service.

I continue to visit staff across Trust sites on a weekly basis.

3. PEOPLE

3.1 I met with Andy Cave and Richard Burden from Healthwatch, and they shared with me how positive it has been to maintain these regular meetings to give them assurance on points of clarity about our inpatient and community services. I believe we need to strengthen our partnership working and in future the Chief Executive of Healthwatch (Andy Cave), will meet with our executive colleagues to respond to any operational queries they may have.

3.2 As reported in my previous chairs report I meet monthly with Shane Bray, Managing Director of Summerhill Supplies Limited. Our meetings are beneficial as they allow me the opportunity to hear about future developments and challenges SSL experience.

- 3.3 I am pleased to confirm that following a robust recruitment process, Susan Bedworth has been appointed as a Non- Executive Director.

4. QUALITY

- 4.1 I was pleased to be able to meet with Mr. Andrew Mitchell, MP, at Good Hope Hospital with the intention of showcase the wonderful Psychiatric Liaison team at Good Hope Hospital. However, due to Andrew Mitchel double diary appointments and his time constraints he met with one of our staff members and asked him about the service but didn't get the chance to visit the area where the teams' offices are based. However, this visit allowed Mr. Mitchell to hear about the services provided firsthand to individuals within his constituency. We have agreed to re-book a visit for him to have more time to meet staff and the location where the team is based.
- 4.2 I was pleased to be able to meet with Mr. Gary Sambrook, MP, at Hillis Lodge. This was a great opportunity for us to meet and discuss the ongoing areas of development within his constituency. As above he too was constrained by time and will be returning to the site to undertake a full visit of the whole service.

5. SUSTAINABILITY

- 5.2 I can confirm our Council of Governor Board development sessions have been developed and agreed for the coming year. These sessions will allow the core development of the Council of Governors. The first session took place in August 2023.
- 5.3 The elections process for the Council of Governors is now at ballot stage and formal results will be confirmed in December 2023.

**PHIL GAYLE
CHAIR**

7. Chief Executive's Report Roisin Fallon-Williams, Chief Executive Officer

Meeting	COUNCIL OF GOVERNORS
Agenda item	Item 7
Paper title	CHIEF EXECUTIVE and DIRECTOR of OPERATIONS REPORT
Date	9 November 2023
Author	Vanessa Devlin and Roisin Fallon-Williams
Executive sponsor	Roisin Fallon- Williams

This paper is for: [tick as appropriate]		
<input type="checkbox"/> Action	<input type="checkbox"/> Discussion	<input checked="" type="checkbox"/> Assurance

Executive summary

Our report to the Council provides information on our areas of work focused on the future, our challenges and other information of relevance to the Board, in relation to our Trust strategy, local and national reports and emerging issues.

Reason for consideration

To provide the Council of Governors with an overview of key internal, systemwide and national issues.

Paper previous consideration

Not Applicable

Strategic objectives

Identify the strategic objectives that the paper impacts upon.
 Sustainability. Quality. Clinical Services. People

Financial implications

Not applicable for this report

Risks

No specific risk is being highlighted to the Board regarding the contents of the report

Equality impact

Not applicable for this report

Our values

Committed
 Compassionate
 Inclusive

CHIEF EXECUTIVE and DIRECTOR of OPERATION'S REPORT

PEOPLE

Industrial Action

The 7th period of industrial action by Junior Doctors is taking place on 2nd, 3rd and 4th October. Consultants will also be taking part in their 4th period of industrial action on the same dates. During this time a level of service equivalent to Christmas Day will be provided meaning that emergency care is in place. Dual action in particular, invariably impacts on all healthcare professionals in the organisation with many clinical and other activities needing to be rescheduled. We continue to support eligible employees to take strike action if they wish and ensure emergency cover is in place.

The number of junior doctors participating in Industrial Action increased from an average of 47% to 64% in August. The number of Consultants participating in action has remained consistent at around 36%. Data for September was not available at the time of writing this report.

The BMA balloted junior doctors in August regarding continuation of industrial action. Nationally, 71% of doctors entitled to vote responded and of those 98% voted in favour of continued action. The BMA wrote to the Secretary of State for Health and Social Care on 17th August seeking pay restoration for doctors in the Specialty and Associate Specialist (SAS) grades and that on 20th September they would decide to proceed with a ballot for industrial action by this grade of doctor.

Workforce Planning

Workforce planning for 2024/25 is due to commence with the People team meeting with our operational colleagues to start these conversations and understand priorities for the next financial year. We have seen some positive increases in our workforce numbers since April 2023 and retention has also improved with our turnover reducing to 8.8%.

First line manager training programme

The L&D team are re-launching the training package for first line managers. The modules will broadly cover Health and safety, H.R tool kit, ICT, Systems training, Leadership and management. This has now been expanded to include EDI, Health inequalities and Q.I modules.

Colleagues are not expected to complete every module, so that managers at different points in their careers can access what they require. It is however an expectation that the entire programme would be recommended for managers that are new to role. The first cohort of modules should all be available by October 2023.

Temporary Staffing Service (TSS) - Pastoral Care

As part of the Trust wide onboarding review a number of areas have been identified within TSS to improve the experience of our TSS colleagues, this includes streamlining processes, supporting TSS colleagues who are awaiting Averts training and taking steps to address inequalities. Further support has also been put in place around health and wellbeing.

CLINICAL SERVICES

Summary

The post pandemic period has presented service areas with challenges in particular in terms of filling staff vacancies and increasing demand on services. Innovative and creative solutions have been considered with attractive offers and benefits of joining the Trust also now a feature. Despite these challenges colleagues are committed to delivering as high-quality services as possible, always aiming for as easy access as achievable for all service users. The following report is a high-level summary of the activities of each service areas over the past couple of months.

Integrated Community Care and Recovery (ICCR)

ICCR have been working closely with partners across Birmingham supporting the community collaborator developments (previously named community integrator). The pilots in the West and East of the city are supporting front line care, which will improve access to health and social care services and increase productivity across the pathways.

Neighbourhood mental health teams (NMHT) continue to expand across BSol, by working with Primary Care Nurse (PCN) leads to ensure local needs are met along with the employment of mental health workers at the PCN level. The NMHTs have supported over 10000 people over the past 12 months.

Community Mental Health Teams had a focused Care Quality Commission (CQC) inspection in August, during which a number of concerns were raised. Service leads are working towards immediate improvement action plans and audits have been undertaken to ensure Clinical Governance Committee agendas have been updated.

Seven meet & greet facilitators have been recruited to our Community Hubs. As part of the project's communication and engagement strategy, Experts by Experience were engaged in the project and provided insightful suggestions on shaping the new role. Safety, first aid and mental health awareness training is underway for the newly appointed facilitators. The roles will become an established part of the community hubs front of house offer.

Performance 'deep dive' meetings are in process across the directorate to look at key areas of performance. These are in addition to our local Clinical Governance Committees. A detailed action plan has been devised to support improvements in our quality assurance processes across the areas of focus ie: Waiting times; Did Not Attend (DNA); Integrated care record (ICR) completion, and supervision and have already seen improvements in our Care Programme Approach.

Our Head of Service for Addictions, Homeless and Solar Service continues to work closely with partners across Solihull to ensure the oversight and coordination of the Solihull mental health delivery plan, which forms part of the wider locality delivery plan in Solihull.

Despite increasing staffing pressures and capacity pressures the directorate continues to support all teams with individual discussions within the leadership teams around their health and wellbeing, equality, diversity and inclusion and bullying and harassment. These sessions with teams have been very engaging and have generated further ideas to be taken forward to support our teams.

Secure Care & Offender Health (SCOH)

All prisoners based at (HMP) Birmingham have been offered testing and treatment for Hepatitis C. An HMIP Thematic review has taken place reviewing waiting times for prisoners requiring transfer to mental health facilities, the results will be analysed and

action plans formulated, with oversight of its delivery via the local clinical governance committee. A Quality Network review has also taken place which received positive feedback. We have an improving staffing position with the recent recruitment of new staff members.

Secure inpatient services continue to experience Registered Mental Health Nurse (RMN) shortages across the services. We are pleased to report that internationally educated nurses have commenced employment, which has had a positive impact. Ward managers and Clinical Nurse Managers/Matrons are meeting daily on each site to prioritise work and assess any shortfalls.

We are pleased to report that 7 Assistant Psychologists (Band 4) have been recruited, a number of vacancies remain and interviews for Band 7/8a Psychologists are scheduled to take place in September.

Our secure inpatient wards continue to experience high acuity levels and clinical activity and continue to be managed well and safely. In the women's service, seclusion and segregation hub and the shop environmental works have been completed. In forensic Child and Adolescent Mental Health Services (CAMHS), seclusion work commenced in August 2023, and is due for completion by March 2024.

Positive discussions have taken place with Community Mental Health Teams and Assertive Outreach Teams regarding the current challenges with enabling services users to move to step down facilities with the support of local community teams. The Forensic Intensive Recovery Support Team (FIRST) transformation workstream has taken place and work is now underway on the service definition and service operating procedure. FIRST is working with the safeguarding team to improve practice in relation to domestic homicide reviews.

Acute and Urgent Care

Transformation work within our Urgent Care Team and pathway continues, with positive feedback from the Integrated Care Board leads regarding how mental health services have helped to address complex issues and support patient flow over the last few months.

Staffing levels continue to be a challenge with Ward Managers frequently working in numbers, but we anticipate the arrival of new starters within the next month which will start to have a positive impact and start to reduce our vacancies.

Compliance to the autism awareness and Oliver McGowan training has increased, and 14 Learning Disability and Autism (LDA) leads have been identified within our Home Treatment Teams (HTT) to support the embedding process.

Mary Seacole House 1 (MSH1) was awarded Trust Team of the Month, and across the directorate there have been a number of innovative service user events over the summer, including a 'sports week' for all patients at Mary Seacole House.

Specialties Services

We are pleased to report in our older adult services that we have recruited to a number of vacant band 6 posts as well as the recruitment of internationally educated Nurses who are starting this month on Rosemary and Bergamot, this is having a positive impact on the service and vacancy levels.

Within our community mental health teams we will be celebrating Silver Sunday National Day for Older People, with a Coffee Morning planned for 1st October at Uffculme. Celebrity attendance of Jasper Carrot, Mushtaq Mohammed and Fred Ramsey has been confirmed.

Following a stakeholder event, we will be launching a quality improvement project to look at our dementia pathway working across the community mental health teams.

We continue our collaborative working across the ICS footprint in a number of initiatives the first is the North Hub CMHT Post Dementia Diagnostic Education Collaborative, working with Birmingham Hospices. In Hall Green Health Centre we are looking at the introduction of Cognitively therapy into Primary Care and improving dementia referrals to BSMHFT, we are exploring additional funding to help with this pilot and collation of the outcomes.

In our specialties services our focused work looking at our current Key Performance Indicators (KPIs) is resulting in improvements for example, our out-patient waiting lists for manualised interventions are slowly reducing. We have managed cancellations and DNA's well and have not had any unplanned days / nights of no occupancy / cancelled shifts. We are proud to report that our consultant scientist Dr Khalsa has presented at international congress on sleep and continues to publish highly respected papers.

A Clinical Associate Psychologist (CAP) will be starting in Deaf services in October. We believe this will be the first ever deaf CAP apprentice nationally and will be hugely beneficial in terms of what the service is able to offer.

We continue to focus on recruitment and retention in our Birmingham Healthy Minds (Talking Therapies Services) We have recently recruited Senior Employment Advisors and Employment advisors, via funding from the Department of Work and Pensions (DWP) until March 2025. We have recruited to a number of posts including within the services Senior Management team. Our high intensity trainees and our psychological wellbeing practitioners are due to qualify this autumn and have been successful in getting substantive roles within the service. We also have additional High and low intensity trainees due to start in autumn 2023, all these new colleagues are having a positive impact on service delivery and our vacancy position. The service has registered and commenced a Quality Improvement (QI) project regarding reduction of waiting times.

Mark Cox, Interim AD returned to his post as our Perinatal Service Manager in September, as Keish Dell has returned from maternity leave. We would like to thank him for his support and achievements for the services during the past year.

Within the perinatal service, working groups are being established with members of different disciplines to look at establishing best practice and resource guides for working with people with additional needs. This includes groups supporting people with neurodevelopmental (ND) or suspected ND diagnosis, working with LGBTQ+ families, supporting people with diabetes in the antenatal period, and reducing DNAs. Mark Cox, Dr Giles Berrisford and Cathy Coombs Consultant Clinical Psychologist presented a paper to the Mental Health Provider Collaborative on 31st August providing an update on the Long-Term Plan Ambition achievements and remaining challenges including funding.

In our bipolar service we are pleased to report that the waiting times from referral to assessment for the Mood on Track Programme has shown a reduction. The team are excited for a new cohort of undergraduate students to join the team for a year starting in September and October. We have been working with an animator and a group of service users to make an animation to illustrate the Mood on Track to service users which we hope will be widely shared by community teams and will encourage referrals and people to take up the offer of Mood on Track.

We are proud to report that that our inpatient occupational therapy team is now fully

staffed and we have 2 new occupational therapy assistants joining our Reservoir Court Team and Sage team in the next few months.

The Solihull CMHT occupational therapy staff have applied to the 'Fairer Futures Fund' to consider support for their Recovery through Activity group which aims to re-engage older people with mental health needs with everyday activities.

SUSTAINABILITY

2023-24 Funding

The Birmingham and Solihull system continues to experience significant financial challenges and our collective response to these is being managed through a new system Financial Recovery Board. We continue to work with partners to develop plans to utilise the recently announced additional funding for meeting winter pressures. We heard at our committee meeting that plans are already being developed to look ahead to the next financial year starting in April and we will be able to update further on funding and plans as they become clearer through the autumn.

West Midlands Mental Health, Learning Disability and Autism Provider

Collaborative

Development of an All-Age West Midlands MH and LDA Strategy- A strategic framework has been developed and currently is being discussed with the Executive Teams of each Trust to agree common areas of future collaboration.

Development of the Regional Bed Strategy- Discussions with operational and clinical leads of Trusts are taking place to collate softer intelligence about local bed plans. In addition, as per the Long-Term Plan, NHS England have asked each ICB to develop a three-year local bed strategy, and the development of regional Trust based strategy will be aligned with the ICB work to ensure plans are robust and there are agreed areas for joint development.

Increase of Supervision Capacity for Psychological Therapies Programme- Development of the Regional Supervision Hub- Two-day awareness courses for c1350 staff have been commissioned and the training programmes will commence in November. Additional supervision capacity has also been secured from accredited practitioners and institutions and staff in Trusts will be offered online group supervision from November onwards for initially six months. An initial review will be conducted in the new year to determine whether to roll out the supervision for further six months.

Clinical Support Worker Role Development Programme- The first phase of the Developing Health Care Talent Programme is coming to an end. So far c100 staff trained and positive feedback from staff and managers has been received. Staff and managers' engagement sessions are taking place at the end of September and in early October to finalise the Competency Framework implementation plans for each Trust. The planning of the second phase has started and will focus on the development of clinical competencies framework and the expansion of the Developing Health Care Talent Programme.

Birmingham and Solihull (BSoL) Mental Health Provide Collaborative Update

The BSOL Mental Health Provider Collaborative has now reached its six-month period of operation, working across the system with partners to drive forward the activities of the collaborative at scale and pace.

Key activities currently underway

- Recruitment is underway for a Head of Quality which will operate across both the BSOL Mental Health Provider Collaborative and Reach Out. This will strengthen our approach to quality and enable cross fertilization of knowledge and experience across the collaboratives.
- A review of future bed requirements is being undertaken along with the development of a new model of care which focusses on purposeful admissions and supported discharges.
- The BSOL collaborative has been engaging in the Children and Young Peoples (CYP) Mental Health Scrutiny Inquiry across Birmingham which will see a series of recommendations for the collaborative to take forward.
- The Collaborative has supported the development of a system wide Co-production strategy to support the delivery of commissioning and transformation across the collaborative.
- Work continues on the activities required to shape our BSOL Mental Health Provider Collaborative Strategy with partners working together to drive forward the Health Needs Assessment and Experience of Care Campaign.

QUALITY

CQC

The Compliance team continues with its programme of assurance testing to review those actions marked as complete. Following our most recent engagement meeting with the CQC on August 31st, we are now once again awaiting feedback as to whether we continue with the monthly submissions for the Section 31 Notice. On the 22nd of August, the CQC issued the Trust with two additional Section 29A notices around clinical risk assessments and medicines management in CMHTs. We are currently working on the responses to these. The findings from the medicines management audits have shown positive outcomes and we will work with the service to establish how we maintain this improved picture going forward.

Quality Improvement (QI)

We have made some additional investment to our QI approach and recruitment has commenced to a number of roles to support further embedding and a focus on key strategic quality improvements, lead by Dr Renarta Rowe in her Deputy Medical Director for Quality role. Current work includes completing our NHS Impact self assessment for submission later in October which will give us an up to date picture of where our Strategic focus needs to be.

LOCAL NEWS

Birmingham City Council

Birmingham City Council has issued a s.114 Notice, making clear its significant financial challenge. As you will be aware, in June, the Council announced that it has a potential liability relating to equal pay claims in the region of £650m to £760m, with an ongoing liability accruing at a rate of £5m to £14m per month. Mandatory spending controls were immediately introduced.

The s.114 Notice is part of an overall strategy to restore the Council's finances but does not mean that the Council is unable to pay its staff, contractors, or suppliers. Difficult

decisions will need to be made in relation to how the Council serves its citizens and steps must be taken to significantly curtail spending in the short term.

Details of what this means will be set out in a Financial Recovery Plan, which the Council will be develop over the coming weeks.

Care Quality Commission's (CQC) System Pilot

NHS Birmingham and Solihull has been chosen alongside Dorset to take part in the Care Quality Commission's (CQC) pilot assessment to assist the regulator to develop a new inspection regime for Integrated Care Systems.

The initial stages of the inspection have already begun, with teams, including BSMHFT, contributing to a number of information requests, and a number of assessment activities are planned during October and November.

Celebration of World Patient Safety Day 17th September

We celebrated World Patient Safety Day as a Trust across the week that followed the 17th September, Staff were invited to offer safety pledges, and a wide range of patient safety materials were available and on display. The stall remained open all week and was manned by the Patient Safety Team.

We launched a Patient Safety Poster competition on the first day, formal judging of entries will be undertaken in December with the top 3 entries invited to a learning event to take place in April next year celebrating the trusts commitment to learning and improvement.

NATIONAL ISSUES

Lucy Letby Case

We are all very much aware of the horrific actions of Lucy Letby at the Countess of Chester and the devastating impact her actions have had on the families and colleagues involved as well as their wider impact for the public and the NHS as a whole.

An enquiry will now take place to examine and explore the entire circumstances surrounding the events, and we expect this to lead to extensive learning and potential changes. We are as a Trust at this juncture, reflecting on what is known now and how this can inform our actions and approaches to our patient safety and our culture.

Parliamentary Select Committee Invitation - Health and Social Care Committee

The Committee held a one off evidence session looking at the Right Care Right Person model for police response to mental health calls, following the publication of the National Partnership Agreement in July.

The Health and Social Care Committee is appointed by the House of Commons to examine the policy, administration and expenditure of the Department of Health and Social Care and its associated bodies.

Further details can be found on the following link:

[Health and Social Care Committee - Summary - Committees - UK Parliament](#)

ROISIN FALLON-WILLIAMS
CHIEF EXECUTIVE

Governance

8. Nomination and Remuneration
Committee Terms of Reference David
Tita, Associate Director of Corporate
Governance

Meeting	Council of Governors		
Agenda item	Item 10		
Paper title	Updated BSMHFT Remuneration & Nomination Committee ToR		
Date	9 November 2023		
Author (s)	David Tita – Associate Director of Corporate Governance		
Executive sponsor	David Tomlinson - Executive Director of Finance		
Executive sign-off	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	(Tick as appropriate)

This paper is for (tick as appropriate):		
<input checked="" type="checkbox"/> Decision	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Assurance

Equality & Diversity (all boxes MUST be completed)	
Does this report reduce inequalities for our service users, staff and carers?	N/A
What data has been considered to understand the impact?	N/A

Executive summary & Recommendations:

The UK Corporate Governance Code (2018) as echoed by the model Standing Orders for NHS Trusts, the FT Core Constitution for FTs and The Intelligent Board publication recommends the Remuneration and Nomination Committees as two of the three main committees of the Board with the other being the Audit Committee.

BSMHF, however, for the purpose of simplicity, conciseness and agility has opted to have a single Rem. & Nom. Committee for both Governors (CoG-led Rem. & Nom. Committee) and NEDs (NED-led Rem. & Nom. Committee) with membership changing based on the purpose of the meeting and the items on the agenda. The combined ToR for the above two committees is outlines thus:

- **Section A:** sets out the ToR of the CoG-led Rem. & Nom. Committee – clarifying its purpose, statutory responsibilities, membership and quoracy amongst others.
- While **section B** on the other hand, outlines the provisions of the NED-led Rem. & Nom. Committee – also clarifying its purpose, statutory responsibilities, membership and quoracy amongst others.

The expectation is that both the CoG and NED-led Rem. & Nom. Committees will receive this paper and the associated ToR and appendices with the view of reviewing, scrutinising and approving their relevant section and appendix.

Please see **Section A** and **appendix 2** for details of the CoG-led Rem. & Nom. Committee.

What is the ask? (Please state specifically what you like the meeting, committee or Board to do).

The CoG is requested to:

- 1. NOTE, APPROVE & ENDORSE** the content of this report, including relevant ToR

and appendix.

2. GAIN ASSURANCE that the CoG-Led Remuneration and Nomination Committee ToR has been updated and refreshed in line with best practice.

Confirm level of assurance demonstrated and evidenced in the report (tick as appropriate):

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- No Assurance

Previous consideration of report by: (If applicable)

CoG-led Rem & Nom Committee in August 2023.
NED-led Rem & Nom Committee – 9th November 2023.

Strategic priorities (which strategic priority is the report providing assurance on)

SUSTAINABILITY: Being recognised as an excellent, digitally enabled organisation which performs strongly and efficiently, working in partnership for the benefit of our population

Financial Implications (detail any financial implications)

N/A

Board Assurance Framework Risks: (detail any new risks associated with the delivery of the strategic priorities)

BAF04/FPP – There is a risk that the Trust may fail to comply with the requirements of Good Governance such as compliance with regulatory provisions, the Nolan Principles, corporate governance codes and best practice.

Equality impact assessments:

N/A

Engagement (detail any engagement with staff/service users)

N/A

Acronyms (List out any acronyms used in the report)

N/A

Defining levels of assurance:

Level of assurance	Definition
Substantial Assurance	The evidence provided demonstrates there is a sound system of governance, risk management and that internal and existing controls are operating effectively and are consistently applied to support the achievement of objectives in the Division or Department.

Reasonable Assurance	The evidence provided demonstrates there is generally a sound system of governance, risk management and controls in place. However, there are some issues e.g. with quality, non-compliance and performance that have been identified which may put at risk the achievement of objectives in the Division or Department, hence there is scope for improvement.
Limited Assurance	The evidence provided demonstrates there are significant gaps, weaknesses or non-compliance that have been identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the Division/Department.
No Assurance	There is absolutely no evidence to demonstrate, hence immediate action is required to address the fundamental gaps, weaknesses or non-compliance that have been identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the Division or Department.
Assurance (System/process-based assurance & outcome-based assurance)	Provides certainty through the evidence you may triangulate in demonstrating confidence that systems and processes are working properly and what needs to happen is happening (i.e. system/process-based assurance). However, this may not imply that expected outcomes will be achieved as planned (outcome-based assurance). It is often useful to stop and ask: <ul style="list-style-type: none"> • Do we really know what we think we know? • Where does the assurance come from? • How reliable is this assurance? • What is this assurance telling us?
Reassurance	This is the feeling of being assured and may be based on good performance, the lack of contradictory evidence or perhaps because someone with a professional background or expertise or management, tells you that something is so, and so it must be true.
Assurance is defined as - "...an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation." (HM Treasury – 2012).	

TERMS OF REFERENCE

BSMHFT NOMINATIONS AND REMUNERATION COMMITTEE

PREAMBLE

For efficacy and conciseness, BSMHFT will have one Nomination and Remuneration Committee with membership changing between Governors and NEDs depending on the items on the agenda and in line with their relevant ToR as set out below:

Section A

COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE

1 PURPOSE

1.1 The Council of Governors' Nominations and Remuneration Committee is constituted as a standing committee of the Council of Governors.

1.2 The Committee is authorised by the Council of Governors to act within its terms of reference, as set out below, subject to ratification of any amendments at future meetings of the Council of Governors.

1.3 The Committee is authorised by the Council of Governors to obtain such internal information as it considers necessary for or expedient to the exercise and fulfilment of its functions. All members of staff and officeholders of the Trust are required to cooperate with any request made by the Committee in pursuance of those aims.

1.4 The Committee is authorised by the Council of Governors, subject to funding approval by the Chief Executive, to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise as required.

2 DUTIES/RESPONSIBILITIES

2.1 Nominations

2.1.1 To regularly review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors in conjunction with the Board of Directors.

2.1.2 To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the

- 2.1.3** To keep the leadership needs of the Trust under review at Non-Executive Director level to ensure the continued ability of the Trust to operate effectively.
- 2.1.4** To keep up to date and fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates.
- 2.1.5** To agree with the Council of Governors a clear process for the nomination of Non- Executive Directors, including the Chair.
- 2.1.6** To take into account the views of the Board of Directors on the qualifications, skills and experience required for each Non-Executive Director position.
- 2.1.7** To prepare and maintain a description of the role and capabilities required for an appointment of a Non-Executive Director, including the Chair.
- 2.1.8** To identify and nominate candidates as Non-Executive Directors, including the Chair, for subsequent approval by the Council of Governors.
- 2.1.9** To ensure that proposed Non-Executive Director's, including the Chair, other significant commitments are disclosed to the Council of Governors before appointment and that any changes to their commitments are reported to the Council of Governors as they arise.
- 2.1.10** To ensure that, in line with Trust policy, proposed appointees disclose to the Company Secretary any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- 2.1.11** To ensure that on appointment Non-Executive Directors, including the Chair, receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board of Directors' meetings.
- 2.1.12** To review the results of the Board of Directors' performance evaluation process that relate to the composition of the Board of Directors.
- 2.1.13** To advise the Council of Governors in respect of reappointment of any Non- Executive Directors in relation to a term beyond six years, see Section A.
- 2.1.14** To advise the Council of Governors in regard to any matters relating to the removal from office of a Non-Executive Director, including the Chair.

2.2 Remuneration

- 2.2.1** To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the

2.2.2 To decide and review the terms and conditions of office of the Non-Executive Directors, including the Chair, in accordance with all relevant Trust policies, including:

- Pay
- Provision for any other benefits
- Allowances
- Expenses

2.2.3 With the Senior Independent Director to monitor and evaluate annually the performance of the Chair.

2.2.4 To monitor and evaluate the performance of individual Non-Executive Directors as assessed annually by the Chair.

2.2.5 To comply with all relevant legislation, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Non-Executive Directors whilst remaining cost effective.

2.2.6 To oversee other arrangements for Non-Executive Directors, including but not limited to termination payments.

3. ACCOUNTABLE TO

3.1 The Committee is accountable to the Council of Governors.

4. REPORTS TO AND METHOD (INCLUDING MINUTES CIRCULATION)

4.1 The minutes of all meetings of the Committee shall be formally recorded and shall be retained by the Company Secretary, on behalf of the Chair.

4.2 The Committee shall report to the Council of Governors after each meeting of the Committee and make an annual report to the Annual Members' Meeting.

4.3 The Company Secretary, on behalf of the Chair, shall ensure that the work of the committee is accurately reported in the Annual Report and Accounts in accordance with any direction from **NHSE**.

5. MEMBERSHIP

5.1 Members

Chair of the Trust
Lead Governor
Deputy Lead Governor
And any other four Governors

5.2 Chair

they are conflicted with an agenda item in which case the SID will chair discussion of that item as the Chair recuses themselves or acts appropriately as the Committee deems proper in managing discussions on the conflicted item.

5.3 In attendance

Company Secretary

5.4 Serviced by

Company Secretary

Committee members will be appointed in accordance with Appendix 2.

6. TERMS OF OFFICE OF COMMITTEE MEMBERS

6.1 Given that the Chair and governors all have finite terms of office and given the need for the committee to have some stability to enable it to appreciate and discharge its responsibilities; where possible the tenure on the Committee of members will correspond to the tenure of office as Chair and/or governor.

7. CONFIDENTIALITY

7.1 By its nature, the Committee will deal with issues of a confidential nature. The membership is therefore expected to observe the highest degree of confidentiality and integrity in this regard. Any breaches in this regard will result in membership of the committee being terminated and redress via the Code of Conduct for Governors.

7.2 The Minutes of the Committee will remain confidential and will not be circulated outside the committee membership.

8. QUORUM

A quorum shall be four members one of who must be the Chair or the SID as in a situation as outlined in 5.2 above.

9. MEETING FREQUENCY AND PROCEDURES (MINIMUM IF APPLICABLE)

Meetings shall be held at least every six months.

10. DATE TERMS OF REFERENCE WERE APPROVED

Council of Governors November 2023

Section B

Board of Director`s Nomination and Remuneration Committee.

1. Purpose

- 1.1 The Board of Directors' Nomination and Remuneration Committee (the Committee) is constituted as a standing committee of the Board of Directors.
- 1.2 The Committee is authorised by the Board of Directors to act within its Terms of Reference, as set out below, subject to amendments at future meetings of the Board of Directors.
- 1.3 The Committee is authorised by the Board of Directors to obtain such information as it considers necessary for, or expedient to, the exercise and fulfilment of its functions. All members of staff of the Trust are directed to co-operate with any request made by the Committee.
- 1.4 The Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for, or expedient to, the exercise of its functions.

2. Duties and responsibilities

2.1 Nomination

- 2.1.1 To regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board of Directors and make recommendations to the Board with regard to any changes.
- 2.1.2 To give consideration to and make plans for succession planning for the Chief Executive and other Executive Directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed at the current time and in the future.
- 2.1.3 Be responsible for identifying and nominating for appointment candidates to fill posts within its remit as and when they arise.
- 2.1.4 Be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of Chief Executive **in line with paragraph 17(3), Schedule 7, National Health Service Act 2006.**
- 2.1.5 Before an appointment is made, to evaluate the balance of skills, knowledge and experience on the Board of Directors and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall use open advertising or the

services of external advisers to facilitate the search;
consider candidates from a wide range of backgrounds and
consider candidates on merit against objective criteria.

2.1.6 Make the appointments of Executive Directors, under paragraph 13(4), Schedule 7, National Health Service Act 2006.

2.1.7 To consider any matter relating to the continuation in office of any Executive Director at any time including the suspension or termination of service of an individual as an employee of the Trust.

2.1.8 Keep under review the leadership needs of the Trust, with a view of ensuring the continued ability of the Trust to undertake its obligations under the terms of its licence.

2.1.9 Ensure there is a process in place that proposed appointees to the Board disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict are reported.

2.1.10 To oversee compliance with national NHS guidance when appointing Board members at salaries above the upper limit as specified by them, and when appointing interim Board members and senior officials filling roles with significant responsibility.

2.1.11 To consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of the Committee's responsibilities.

2.1.12 To receive assurance reports on behalf of the Board of Directors in relation to compliance with the requirements set out within the Trust's Fit and Proper Persons Requirement (FPPR) Policy as it relates to appointments to the Board of Directors and annual FPPR checking process.

2.2 Remuneration

2.2.1 To decide upon and review the terms and conditions of office of the Trust's Executive Directors and those individuals on locally-determined pay in accordance with all relevant Trust policies, including:

- Salary, including any performance-related pay or bonus.
- Provision for other benefits, including pensions.
- Allowances
- Compensation commitments entailed by terms of appointment in the event of early termination with the aim of avoiding rewarding poor performance.

2.2.2 Obtain reliable, up-to-date information about remuneration in other Trusts of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary.

2.2.3 To monitor and evaluate the performance of individual Executive Directors on an annual basis.

2.2.4 Where appropriate, to authorise any redundancy payments, settlements and compromise agreements as determined within current NHS rules on severance

payments, including such payments which require final approval by HM Treasury/NHS England.

- 2.2.5 To adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective.
- 2.2.6 To advise upon and oversee contractual arrangements for Executive Directors, including but not limited to termination payments and agreements. This will also relate to any matter that requires Treasury approval or any matter that may give rise to public concern.
- 2.2.7 To determine arrangements for annual salary review for all staff on Trust contracts.
- 2.2.8 To ensure, that where remuneration consultants are appointed, a statement is made within the Trust's Annual Report as to whether they have any connection with the Trust.

3. Accountable to

The Committee is accountable to the Board of Directors.

4. Reporting

4.1 The minutes of all meetings of the Committee shall be formally recorded and shall be retained by the Company Secretary on behalf of the Chair, and shall not be shared with the Executive Directors.

4.2 The Committee shall report to the Board of Directors after each meeting of the Committee. In the case of remuneration matters, this report will be restricted to the reporting that decisions have been made by the Committee and that the manner of making them was in accordance with the Committee's terms of reference and delegated powers.

5. Membership and attendance

5.1 The Committee shall comprise of all Trust Board Non-Executive Directors, including the Chair of the Board.

5.2 The Chair of the Board will chair the Committee and the Vice Chair of the Board will act as Chair of the Committee in the Chair's absence or if the Chair has a conflict of interest. The CEO is also a member but will recuse themselves from discussions on agenda items on which they are conflicted.

In attendance

5.3 At the invitation of the Committee, meetings shall normally be attended by the Chief Executive, Director of Human Resources and Staff Development and the Associate Director of Corporate Governance and/or Company Secretary.

5.4 Other persons may be invited by the Committee to attend a meeting so as to assist in deliberations.

5.5 Any non-member, including the Associate Director of Corporate Governance or Company Secretary shall be asked to leave the meeting should their own conditions of employment be the subject of discussion.

Serviced by

The Committee will be serviced by the Company Secretary who will also act as the Minutes taker.

6. Quorum

6.1 A quorum shall be four members **one of who must be the Chair or Deputy Chair.**

6.2 At the discretion of the Chair, business may be transacted through a teleconference or videoconference provided that all Board members present are able to hear all other parties and where an Agenda has been issued in advance. Participation in a meeting via electronic means shall constitute presence in person at the meeting.

7. Meeting frequency

Meetings to be held as deemed necessary by the Committee.

- **REVIEW DATE** – November 2023
- **NEXT REVIEW DATE** – November 202

Appendix 1: PROCEDURAL GUIDANCE ON APPROVING AN EXCEPTIONAL RE-APPOINTMENT FOR A NON-EXECUTIVE DIRECTOR

1. BACKGROUND

The Standing Orders of the Board of Directors, as incorporated into the Trust Constitution, stipulates the standard Term of Office for a Non-Executive Director is no more than three years and sets the maximum tenure at two consecutive Terms of Office. Provision is made in Section 4.6 for the maximum tenure to be extended, once only, by annual reappointment in exceptional circumstances.

2. CRITERIA FOR APPROVING AN ANNUAL RE-APPOINTMENT

Circumstances may be deemed *exceptional* if a re-appointment of tenure would maintain stability when the:

- a) Board of Directors and/or the Trust is experiencing a period of stress, or
- b) Board of Directors faces an unplanned sudden and simultaneous loss of a majority of it's Non-Executive Directors, or
- c) Board of Directors requires specialist Non-Executive Director input to manage and resolve a time-limited issue, or
- d) Significant structural organisational change.

3. PROCESS FOR SEEKING APPROVAL FOR AN ANNUAL RE-APPOINTMENT

Approval for a re-appointment to the maximum tenure for an individual Non-Executive Director must be given by the Council of Governors' Nominations and Remuneration Committee which will in turn make a recommendation to the Council of Governors for final approval.

The case for an extension in exceptional circumstances may be initiated by either the Board of Directors or its Remuneration Committee, or by the Council of Governors or its Nominations and Remuneration Committee.

The case must be based on the exception criteria outlined in Section 2 above and should be submitted by a paper to the Council of Governors' Nominations and Remuneration Committee.

In its deliberations, the Council of Governors' Nominations and Remuneration Committee should pay due regard to:

- the issue of eligibility under the exception criteria outlined in Section 2
- matters normally considered in the re-appointment the Non-Executive Director i.e. assessing the existing candidate against the current updated job description and person specification
- additional relevant issues, such as
 - the Non-Executive Director's past annual performance appraisal(s)
 - any changes in the Non-Executive Director's commitments that may have a bearing

- on the time required to undertake the role
- any change in the Non-Executive Director's independence, particularly their length of service which is relevant to the determination of their independence (as set out in Section A.3.1 of Monitor's *Code of Governance*).

4. APPOINTMENT

Subject to final approval by the Council of Governors, the Non-Executive Director will be appointed for one year only. Further extensions are not permissible.

The terms and conditions of the appointment will be clearly set out in the Letter of Appointment.

Any such extensions will be reported in the Trust's Annual Report and Accounts, as directed by **NHSE**.

Appendix 2: COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE PROCESS FOR GOVERNORS TO JOIN THE COMMITTEE

1. CONTEXT

The Committee is chaired by the Chair of the Trust **or the Chair if Chair is conflicted.**

Membership includes a balance of Public, Service User/Carer, Staff and Appointed Governors, made up of:

Four Public/Service User/Carer Governors
One Staff
Governor
One Appointed Governor

2. APPOINTMENT PROCESS

When a vacancy occurs the Chair of the Committee will inform governors in the relevant constituency of the vacancy and invite expressions of interest in the role. In the event that a number of governors express an interest, a ballot amongst relevant governors will be held and each candidate will be invited to submit a short statement supporting their application to take up the role.

3. PROCESS FOLLOWING SELECTION

The Chair of the Committee will inform the successful candidate and invite them to join the Committee. The appointment will be reported to the next Council of Governors Meeting.

November 2023



TERMS OF REFERENCE

BSMHFT's NOMINATIONS AND REMUNERATION COMMITTEE

PREAMBLE

For efficacy and conciseness, BSMHFT will have one Nomination and Remuneration Committee with membership changing between Governors and NEDs depending on the items on the agenda and in line with their relevant ToR as set out below:

Section A

COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE

1 PURPOSE

1.1 The Council of Governors' Nominations and Remuneration Committee is constituted as a standing committee of the Council of Governors.

1.2 The Committee is authorised by the Council of Governors to act within its terms of reference, as set out below, subject to ratification of any amendments at future meetings of the Council of Governors.

1.3 The Committee is authorised by the Council of Governors to obtain such internal information as it considers necessary for or expedient to the exercise and fulfilment of its functions. All members of staff and officeholders of the Trust are required to cooperate with any request made by the Committee in pursuance of those aims.

1.4 The Committee is authorised by the Council of Governors, subject to funding approval by the Chief Executive, to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise as required.

2 DUTIES/RESPONSIBILITIES

2.1 Nominations

2.1.1 To regularly review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors in conjunction with the Board of Directors.

2.1.2 To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future.

2.1.3 To keep the leadership needs of the Trust under review at Non-Executive Director level to ensure the continued ability of the Trust to operate effectively.

- 2.1.4** To keep up to date and fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates.
- 2.1.5** To agree with the Council of Governors a clear process for the nomination of Non- Executive Directors, including the Chair.
- 2.1.6** To take into account the views of the Board of Directors on the qualifications, skills and experience required for each Non-Executive Director position.
- 2.1.7** To prepare and maintain a description of the role and capabilities required for an appointment of a Non-Executive Director, including the Chair.
- 2.1.8** To identify and nominate candidates as Non-Executive Directors, including the Chair, for subsequent approval by the Council of Governors.
- 2.1.9** To ensure that proposed Non-Executive Director's, including the Chair, other significant commitments are disclosed to the Council of Governors before appointment and that any changes to their commitments are reported to the Council of Governors as they arise.
- 2.1.10** To ensure that, in line with Trust policy, proposed appointees disclose to the Company Secretary any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- 2.1.11** To ensure that on appointment Non-Executive Directors, including the Chair, receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board of Directors' meetings.
- 2.1.12** To review the results of the Board of Directors' performance evaluation process that relate to the composition of the Board of Directors.
- 2.1.13** To advise the Council of Governors in respect of reappointment of any Non-Executive Directors in relation to a term beyond six years, see **Appendix 1**.
- 2.1.14** To advise the Council of Governors in regard to any matters relating to the removal from office of a Non-Executive Director, including the Chair.

2.2 Remuneration

- 2.2.1** To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future.
- 2.2.2** To decide and review the terms and conditions of office of the Non-Executive Directors, including the Chair, in accordance with all relevant Trust policies, including:
 - Pay
 - Provision for any other benefits
 - Allowances
 - Expenses

2.2.3 With the Senior Independent Director to monitor and evaluate annually the

performance of the Chair.

- 2.2.4** To monitor and evaluate the performance of individual Non-Executive Directors as assessed annually by the Chair.
- 2.2.5** To comply with all relevant legislation, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Non-Executive Directors whilst remaining cost effective.
- 2.2.6** To oversee other arrangements for Non-Executive Directors, including but not limited to termination payments.

3. ACCOUNTABLE TO

3.1 The Committee is accountable to the Council of Governors.

4. REPORTS TO AND METHOD (INCLUDING MINUTES CIRCULATION)

4.1 The minutes of all meetings of the Committee shall be formally recorded and shall be retained by the Company Secretary, on behalf of the Chair.

4.2 The Committee shall report to the Council of Governors after each meeting of the Committee and make an annual report to the Annual Members' Meeting.

4.3 The Company Secretary, on behalf of the Chair, shall ensure that the work of the committee is accurately reported in the Annual Report and Accounts in accordance with any direction from **NHSE.**

5. MEMBERSHIP

5.1 Members

Chair of the Trust

Lead Governor

Deputy Lead Governor

And any other four Governors

5.2 Chair

The Nominations and Remuneration Committee will be chaired by the Chair of the Trust except where they are conflicted with an agenda item in which case the SID will chair discussion of that item as the Chair recuses themselves or acts appropriately as the Committee deems proper in managing discussions on the conflicted item.

5.3 In attendance

Company Secretary

5.4 Serviced by

Company Secretary

Committee members will be appointed in accordance with Appendix 2.

6. TERMS OF OFFICE OF COMMITTEE MEMBERS

6.1 Given that the Chair and governors all have finite terms of office and given the need for the committee to have some stability to enable it to appreciate and discharge its responsibilities; where possible the tenure on the Committee of members will correspond to the tenure of office as Chair and/or governor.

7. CONFIDENTIALITY

7.1 By its nature, the Committee will deal with issues of a confidential nature. The membership is therefore expected to observe the highest degree of confidentiality and integrity in this regard. Any breaches in this regard will result in membership of the committee being terminated and redress via the Code of Conduct for Governors.

7.2 The Minutes of the Committee will remain confidential and will not be circulated outside the committee membership.

8. QUORUM

A quorum shall be four members one of who must be the Chair or the SID as in a situation as outlined in 5.2 above.

9. MEETING FREQUENCY AND PROCEDURES (MINIMUM IF APPLICABLE)

Meetings shall be held at least every six months.

10. DATE TERMS OF REFERENCE WERE APPROVED

Council of Governors November 2023

Section B

Board of Director`s Nomination and Remuneration Committee.

1. Purpose

- 1.1 The Board of Directors' Nomination and Remuneration Committee (the Committee) is constituted as a standing committee of the Board of Directors.
- 1.2 The Committee is authorised by the Board of Directors to act within its Terms of Reference, as set out below, subject to amendments at future meetings of the Board of Directors.
- 1.3 The Committee is authorised by the Board of Directors to obtain such information as it considers necessary for, or expedient to, the exercise and fulfilment of its functions. All members of staff of the Trust are directed to co-operate with any request made by the Committee.
- 1.4 The Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for, or expedient to, the exercise of its functions.

2. Duties and responsibilities

2.1 Nomination

- 2.1.1 To regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board of Directors and make recommendations to the Board with regard to any changes.
- 2.1.2 To give consideration to and make plans for succession planning for the Chief Executive and other Executive Directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed at the current time and in the future.
- 2.1.3 Be responsible for identifying and nominating for appointment candidates to fill posts within its remit as and when they arise.
- 2.1.4 Be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of Chief Executive in line with paragraph 17(3), Schedule 7, National Health Service Act 2006.
- 2.1.5 Before an appointment is made, to evaluate the balance of skills, knowledge and experience on the Board of Directors and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall use open advertising or the services of external advisers

to facilitate the search; consider candidates from a wide range of backgrounds and consider candidates on merit against objective criteria.

- 2.1.6** Make the appointments of Executive Directors, under paragraph 13(4), Schedule 7, National Health Service Act 2006.
- 2.1.7** To consider any matter relating to the continuation in office of any Executive Director at any time including the suspension or termination of service of an individual as an employee of the Trust.
- 2.1.8** Keep under review the leadership needs of the Trust, with a view of ensuring the continued ability of the Trust to undertake its obligations under the terms of its licence.
- 2.1.9** Ensure there is a process in place that proposed appointees to the Board disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict are reported.
- 2.1.10** To oversee compliance with national NHS guidance when appointing Board members at salaries above the upper limit as specified by them, and when appointing interim Board members and senior officials filling roles with significant responsibility.
- 2.1.11** To consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of the Committee's responsibilities.
- 2.1.12** To receive assurance reports on behalf of the Board of Directors in relation to compliance with the requirements set out within the Trust's Fit and Proper Persons Requirement (FPPR) Policy as it relates to appointments to the Board of Directors and annual FPPR checking process.

2.2 Remuneration

- 2.2.1** To decide upon and review the terms and conditions of office of the Trust's Executive Directors and those individuals on locally-determined pay in accordance with all relevant Trust policies, including:
- Salary, including any performance-related pay or bonus.
 - Provision for other benefits, including pensions.
 - Allowances
 - Compensation commitments entailed by terms of appointment in the event of early termination with the aim of avoiding rewarding poor performance.
- 2.2.2** Obtain reliable, up-to-date information about remuneration in other Trusts of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary.

- 2.2.3** To monitor and evaluate the performance of individual Executive Directors on an annual basis.
- 2.2.4** Where appropriate, to authorise any redundancy payments, settlements and compromise agreements as determined within current NHS rules on severance payments, including such payments which require final approval by HM Treasury/NHS England.
- 2.2.5** To adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective.
- 2.2.6** To advise upon and oversee contractual arrangements for Executive Directors, including but not limited to termination payments and agreements. This will also relate to any matter that requires Treasury approval or any matter that may give rise to public concern.
- 2.2.7** To determine arrangements for annual salary review for all staff on Trust contracts.
- 2.2.8** To ensure, that where remuneration consultants are appointed, a statement is made within the Trust's Annual Report as to whether they have any connection with the Trust.

3. Accountable to

The Committee is accountable to the Board of Directors.

4. Reporting

4.1 The minutes of all meetings of the Committee shall be formally recorded and shall be retained by the Company Secretary on behalf of the Chair, and shall not be shared with the Executive Directors.

4.2 The Committee shall report to the Board of Directors after each meeting of the Committee. In the case of remuneration matters, this report will be restricted to the reporting that decisions have been made by the Committee and that the manner of making them was in accordance with the Committee's terms of reference and delegated powers.

5. Membership and attendance

5.1 The Committee shall comprise of all Trust Board Non-Executive Directors, including the Chair of the Board.

5.2 The Chair of the Board will chair the Committee and the Vice Chair of the Board will act as Chair of the Committee in the Chair's absence or if the Chair

has a conflict of interest. The CEO is also a member but will recuse themselves from discussions on agenda items on which they are conflicted.

In attendance

5.3 At the invitation of the Committee, meetings shall normally be attended by the Chief Executive, Director of Human Resources and Staff Development and the Associate Director of Corporate Governance and/or Company Secretary.

5.4 Other persons may be invited by the Committee to attend a meeting so as to assist in deliberations.

5.5 Any non-member, including the Associate Director of Corporate Governance or Company Secretary shall be asked to leave the meeting should their own conditions of employment be the subject of discussion.

Serviced by

The Committee will be serviced by the Company Secretary who will also act as the Minutes taker.

6. Quorum

6.1 A quorum shall be four members **one of who must be the Chair or Deputy Chair.**

6.2 At the discretion of the Chair, business may be transacted through a teleconference or videoconference provided that all Board members present are able to hear all other parties and where an Agenda has been issued in advance. Participation in a meeting via electronic means shall constitute presence in person at the meeting.

7. Meeting frequency

Meetings to be held as deemed necessary by the Committee.

- **REVIEW DATE** – November 2023
- **NEXT REVIEW DATE** – November 2024



Appendix 1: PROCEDURAL GUIDANCE ON APPROVING AN EXCEPTIONAL RE-APPOINTMENT FOR A NON-EXECUTIVE DIRECTOR

1. BACKGROUND

Section 4.6 of the Standing Orders of the Board of Directors, as incorporated into the Trust Constitution, stipulates the standard Term of Office for a Non-Executive Director is no more than three years and sets the maximum tenure at two consecutive Terms of Office. Provision is made in Section 4.6 for the maximum tenure to be extended, once only, by annual re-appointment in exceptional circumstances.

2. CRITERIA FOR APPROVING AN ANNUAL RE-APPOINTMENT

Circumstances may be deemed *exceptional* if a re-appointment of tenure would maintain stability when the:

- a) Board of Directors and/or the Trust is experiencing a period of stress, or
- b) Board of Directors faces an unplanned sudden and simultaneous loss of a majority of it's Non-Executive Directors, or
- c) Board of Directors requires specialist Non-Executive Director input to manage and resolve a time-limited issue, or
- d) Significant structural organisational change

3. PROCESS FOR SEEKING APPROVAL FOR AN ANNUAL RE-APPOINTMENT

Approval for a re-appointment to the maximum tenure for an individual Non-Executive Director must be given by the Council of Governors' Nominations and Remuneration Committee which will in turn make a recommendation to the Council of Governors for final approval.

The case for an extension in exceptional circumstances may be initiated by either the Board of Directors or its Remuneration Committee, or by the Council of Governors or its Nominations and Remuneration Committee.

The case must be based on the exception criteria outlined in Section 2 above and should be submitted by a paper to the Council of Governors' Nominations and Remuneration Committee.

In its deliberations, the Council of Governors' Nominations and Remuneration Committee should pay due regard to:

- the issue of eligibility under the exception criteria outlined in Section 2
- matters normally considered in the re-appointment the Non-Executive Director i.e. assessing the existing candidate against the current updated job description and person specification
- additional relevant issues, such as
 - the Non-Executive Director's past annual performance appraisal(s)
 - any changes in the Non-Executive Director's commitments that may have a bearing on the time required to undertake the role
 - any change in the Non-Executive Director's independence, particularly their length of service which is relevant to the determination of their independence (as set out in Section A.3.1 of Monitor's *Code of Governance*).

4. APPOINTMENT

Subject to final approval by the Council of Governors, the Non-Executive Director will be appointed for one year only. Further extensions are not permissible

The terms and conditions of the appointment will be clearly set out in the Letter of Appointment.

Any such extensions will be reported in the Trust's Annual Report and Accounts, as directed by NHS Improvement.



Appendix 2: COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE PROCESS FOR GOVERNORS TO JOIN THE COMMITTEE

1. CONTEXT

The Committee is chaired by the Chair of the Trust **or the Chair if Chair is conflicted.**

Membership includes a balance of Public, Service User/Carer, Staff and Appointed Governors, made up of:

Four Public/Service User/Carer Governors
One Staff Governor
One Appointed Governor

2. APPOINTMENT PROCESS

When a vacancy occurs the Chair of the Committee will inform governors in the relevant constituency of the vacancy and invite expressions of interest in the role. In the event that a number of governors express an interest, a ballot amongst relevant governors will be held and each candidate will be invited to submit a short statement supporting their application to take up the role.

3. PROCESS FOLLOWING SELECTION

The Chair of the Committee will inform the successful candidate and invite them to join the Committee. The appointment will be reported to the next Council of Governors Meeting.

November 2023

9. Council of Governors Self-Assessment
Feedback Hannah Sullivan, Corporate
Governance and Membership Manager

Performance and Partnerships

10. Finance Report

Meeting	Council of Governors
Agenda item	10
Paper title	Month 5 2023/24 Finance Report
Date	09 November 2023
Author (s)	Emma Ellis, Head of Finance & Contracts
Executive sponsor	David Tomlinson, Executive Director of Finance
Executive sign-off	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Tick as appropriate)

This paper is for (tick as appropriate):		
<input checked="" type="checkbox"/> Decision	<input checked="" type="checkbox"/> Discussion	<input checked="" type="checkbox"/> Assurance

Equality & Diversity (all boxes MUST be completed)	
Does this report reduce inequalities for our service users, staff and carers?	No
What data has been considered to understand the impact?	N/A

Executive summary & Recommendations:	
Revenue position	
<p>The month 5 2023/24 Group position year to date is a deficit of £533k. This is £533k adverse to the break-even plan as submitted to NHSE on 5.4.23 and the trend is little changed from previous months. The position comprises a £718k deficit for the Trust, £138k surplus for Summerhill Services Limited (SSL), a £104k surplus position for the Reach Out Provider Collaborative and a break-even position for the Mental Health Provider Collaborative (MHPC).</p>	
Alert:	
<p>The Board is asked to note and discuss the following key financial alerts:</p> <ul style="list-style-type: none"> • Out of area expenditure – YTD £7.8m, straight lined for the full year, would equate to £18.6m. This would result in a potential overspend of £10.6m against a plan of £8m (which allows for £5m savings target). • Savings - £14.7m target. YTD delivery of £4m equates to a shortfall against plan of £2.1m driven by non-achievement of delivery against £5m out of area savings target. • Given the lack of savings pipeline for 2024/25, it is proposed that a 1% savings target is set across all budgets with plans to be developed for initial review at October Sustainability Board. The Board is asked to endorse this approach. • Temporary staffing – YTD bank and agency spend £19.3m, straight lined 	

for the full year, would equate to £46m. The forecast submitted to NHSE assumes a reduction in run rate for the second half of the year as a result of enhanced financial controls. YTD agency expenditure has breached the NHSE ceiling by £613k: agency spend as percentage of pay bill is 4.25% YTD compared to ceiling of 3.7%.

- The Birmingham Solihull Integrated Care System (BSOL ICS) draft month 5 financial position is a deficit of £41m (a deterioration of £11m compared to month 4). Work is ongoing across the system to introduce enhanced financial controls to support financial recovery.
- The forecast position for 2023/24 is held at break even, in line with plan. This will be partly achieved via non recurrent savings and non recurrent benefits in year and the current assessment of the underlying run rate is £13m deficit.
- We have been asked to prepare a high level medium term plan to input into a system submission to NHSE Regional team. The expectation is that all systems will demonstrate financial balance by 2024/25. The current assessment is an underlying run rate of £11m deficit and £8m deficit respectively for 2024/25 and 2025/26. The savings plans assumptions to achieve break-even are currently £20m for 2024/25 and £16m for 2025/26

Advise:

The Board is asked to note the following:

- An accrual has been made in the month 5 position for the medical pay award funding and the associated expenditure. It is anticipated that payment will be made in the September payroll, backdated to April.
- In response to the deteriorating system financial position, the Birmingham and Solihull ICS Financial Recovery Board has been introduced. Membership includes the CEO and CFO of each system partners. The Board will have oversight of financial recovery plans and key system efficiency programmes. A short-term financial recovery diagnostics project has also been undertaken, led by KPMG, with findings to be shared mid-September.
- The budget setting process for 2024/25 is shared within the report to provide an understanding of the approach to be undertaken to assess the BSMHFT internal budgetary requirements for the next financial year, including approach to savings and cost pressures.

Capital position

Month 5 2023/24 Group capital expenditure is £2.8m. This is £2.5m greater than plan due to works progressing ahead of plan, mainly related to risk assessment works including door set expenditure.

Cash position
 The month 5 Group cash position is £80.9m.

What is the ask? (Please state specifically what you like the meeting, committee or Board to do).

To review month 5 financial position and 2023/24 forecast outturn position and underlying run rate.
 To review the assessment of the high level medium term plan and the proposed budget setting approach for 2024/25.

The Board is asked to endorse the proposal to allocate a 1% savings target across all corporate and operational service areas to identify initial savings plans for 2024/25.

The Board is asked to approve the medium term plan assessment for submission.

Confirm level of assurance demonstrated and evidenced in the report (tick as appropriate):

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- No Assurance

Previous consideration of report by: (If applicable)

Regular briefing on financial position with FPP chair.

Strategic priorities (which strategic priority is the report providing assurance on)

SUSTAINABILITY: Being recognised as an excellent, digitally enabled organisation which performs strongly and efficiently, working in partnership for the benefit of our population

Financial Implications (detail any financial implications)

Group financial position

Board Assurance Framework Risks: (detail any new risks associated with the delivery of the strategic priorities)

FPP overall risk: there is a risk that the Trust fails to make best use of its resources

Equality impact assessments:
N/A
Engagement <i>(detail any engagement with staff/service users)</i>
Ongoing financial briefings via Operational Management Team and Sustainability Board.
Acronyms <i>(List out any acronyms used in the report)</i>

Defining levels of assurance:

Level of assurance	Definition
Substantial Assurance	The evidence provided demonstrates there is a sound system of governance, risk management and that internal and existing controls are operating effectively and are consistently applied to support the achievement of objectives in the Division or Department.
Reasonable Assurance	The evidence provided demonstrates there is generally a sound system of governance, risk management and controls in place. However, there are some issues e.g. with quality, non-compliance and performance that have been identified which may put at risk the achievement of objectives in the Division or Department, hence there is scope for improvement.
Limited Assurance	The evidence provided demonstrates there are significant gaps, weaknesses or non-compliance that have been identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the Division/Department.
No Assurance	There is absolutely no evidence to demonstrate, hence immediate action is required to address the fundamental gaps, weaknesses or non-compliance that have been identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the Division or Department.
Assurance (System/process-based assurance & outcome-based assurance)	<p>Provides certainty through the evidence you may triangulate in demonstrating confidence that systems and processes are working properly and what needs to happen is happening (i.e. system/process-based assurance). However, this may not imply that expected outcomes will be achieved as planned (outcome-based assurance).</p> <p>It is often useful to stop and ask:</p> <ul style="list-style-type: none"> • Do we really know what we think we know? • Where does the assurance come from? • How reliable is this assurance? • What is this assurance telling us?

Reassurance	This is the feeling of being assured and may be based on good performance, the lack of contradictory evidence or perhaps because someone with a professional background or expertise or management, tells you that something is so, and so it must be true.
Assurance is defined as - "...an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation." (HM Treasury – 2012).	

Finance Report

Financial Performance:
1st April 2023 to 31st August 2023

Month 5

Group financial position

Group Summary	Annual Budget	1.6% Pay Award Funding	Revised Plan	YTD Position		
				Budget	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Patient Care Activities	566,107	10,085	576,192	240,078	237,920	(2,158)
Other Income	18,832	-	18,832	7,847	10,802	2,955
Total Income	584,940	10,085	595,025	247,925	248,722	797
Expenditure						
Pay	(270,039)	(5,943)	(275,982)	(114,996)	(112,510)	2,486
Other Non Pay Expenditure	(277,459)	(4,142)	(281,601)	(117,328)	(121,118)	(3,790)
Drugs	(6,077)	-	(6,077)	(2,532)	(3,058)	(525)
Clinical Supplies	(795)	-	(795)	(331)	(257)	75
PFI	(12,611)	-	(12,611)	(5,254)	(5,904)	(649)
EBITDA	17,959	-	17,959	7,483	5,876	(1,607)
Capital Financing						
Depreciation	(9,906)	-	(9,906)	(4,127)	(4,055)	72
PDC Dividend	(1,717)	-	(1,717)	(716)	(716)	-
Finance Lease	(5,693)	-	(5,693)	(2,372)	(2,380)	(8)
Loan Interest Payable	(1,060)	-	(1,060)	(442)	(451)	(10)
Loan Interest Receivable	797	-	797	332	1,353	1,021
Surplus / (Deficit) before taxation	380	-	380	158	(373)	(532)
Impairment	-	-	-	-	-	-
Profit/ (Loss) on Disposal	-	-	-	-	-	-
Taxation	(380)	-	(380)	(158)	(160)	(2)
Surplus / (Deficit)	0	-	0	0	(533)	(533)

Month 5 2023/24 Group Financial Position

The month 5 consolidated Group position is a deficit of £533k year to date. This is £533k adverse to the break-even plan as submitted to NHSE on 5.4.23.

Key run rate pressures continue with slippage on recurrent savings delivery (against £5m out of area savings target), significant out of area expenditure and staffing pressures including a significant level of temporary staffing, particularly agency in month. PFI expenditure run rate is also increasing.

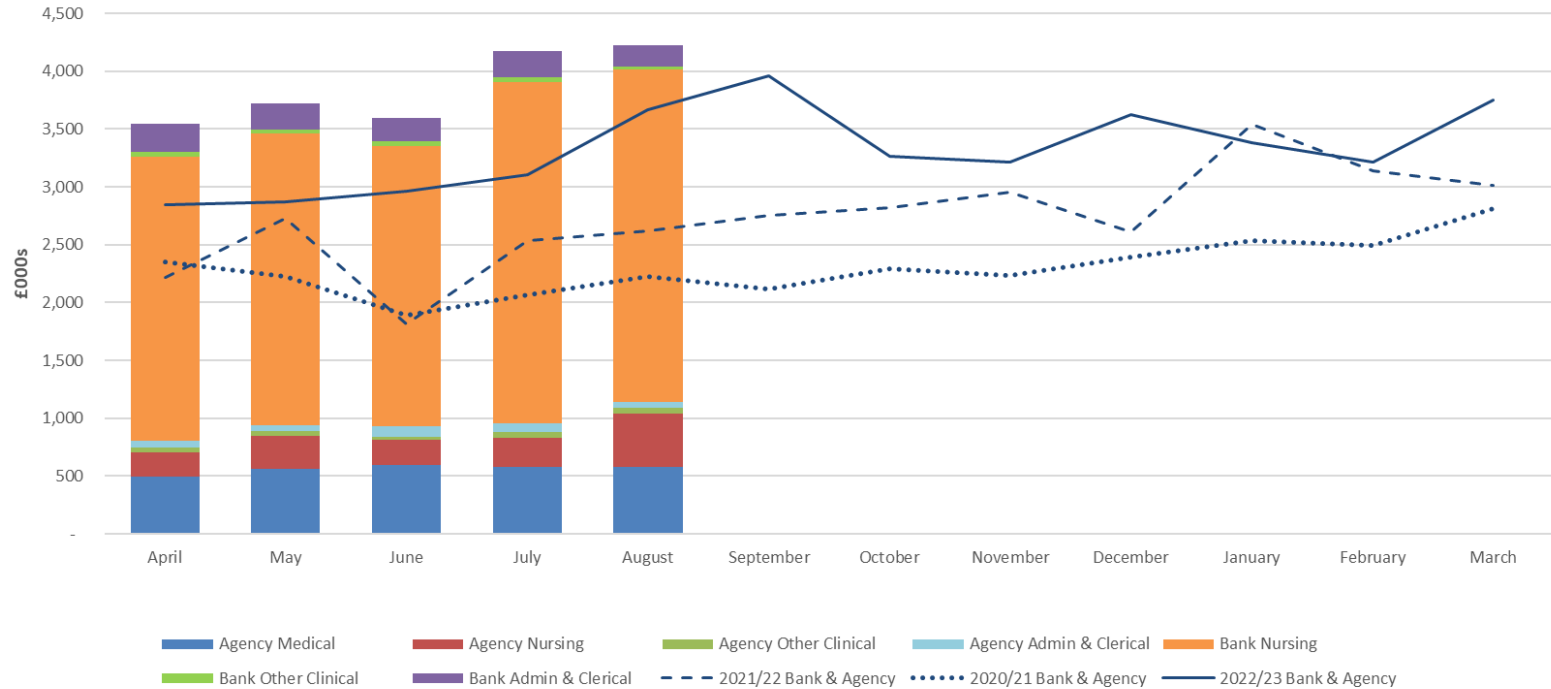
In month 5, an accrual has been made for the medical pay award funding (0.7% increase to income allocations as per NHSE guidance) and the associated expenditure. It is anticipated that payment will be made in the September payroll, backdated to April. To date, budgets have not been adjusted to reflect the medical pay award.

The Group position includes a £718k deficit for the Trust, £138k surplus for the wholly owned subsidiary, Summerhill Services Limited (SSL), an £104k surplus position for the Reach Out Provider Collaborative in line with agreed contribution to Trust overheads and a break-even position for the Mental Health Provider Collaborative (MHPC). For a segmental breakdown of the Group position, please see page 3.

Month 5 Group position Segmental summary

Group Summary	Trust	SSL	Reach Out	MHPC	Consolidation	Group
	Actual	Actual	Actual	Actual	Actual	Actual
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Patient Care Activities	142,741	-	60,113	154,099	(119,033)	237,920
Other Income	10,725	12,815	-	-	(12,739)	10,802
Total Income	153,466	12,815	60,113	154,099	(131,771)	248,722
Expenditure						
Pay	(105,976)	(5,460)	(650)	(539)	115	(112,510)
Other Non Pay Expenditure	(34,764)	(3,531)	(59,359)	(153,564)	130,100	(121,118)
Drugs	(3,205)	(1,243)	-	-	1,390	(3,058)
Clinical Supplies	(257)	-	-	-	-	(257)
PFI	(5,904)	-	-	-	-	(5,904)
EBITDA	3,361	2,580	104	(4)	(166)	5,876
Capital Financing						
Depreciation	(2,741)	(1,273)	-	-	(41)	(4,055)
PDC Dividend	(716)	-	-	-	-	(716)
Finance Lease	(2,374)	(159)	-	-	153	(2,380)
Loan Interest Payable	(451)	(849)	-	-	849	(451)
Loan Interest Receivable	2,203	0	-	-	(849)	1,353
Surplus / (Deficit) before Taxation	(718)	298	104	(4)	(54)	(373)
Impairment	-	-	-	-	-	-
Profit/ (Loss) on Disposal	-	-	-	-	-	-
Taxation	-	(160)	-	-	-	(160)
Surplus / (Deficit)	(718)	138	104	(4)	(54)	(533)

2023/24 Agency & Bank Spend by Type



The month 5 year to date temporary staffing expenditure is £19.3m.

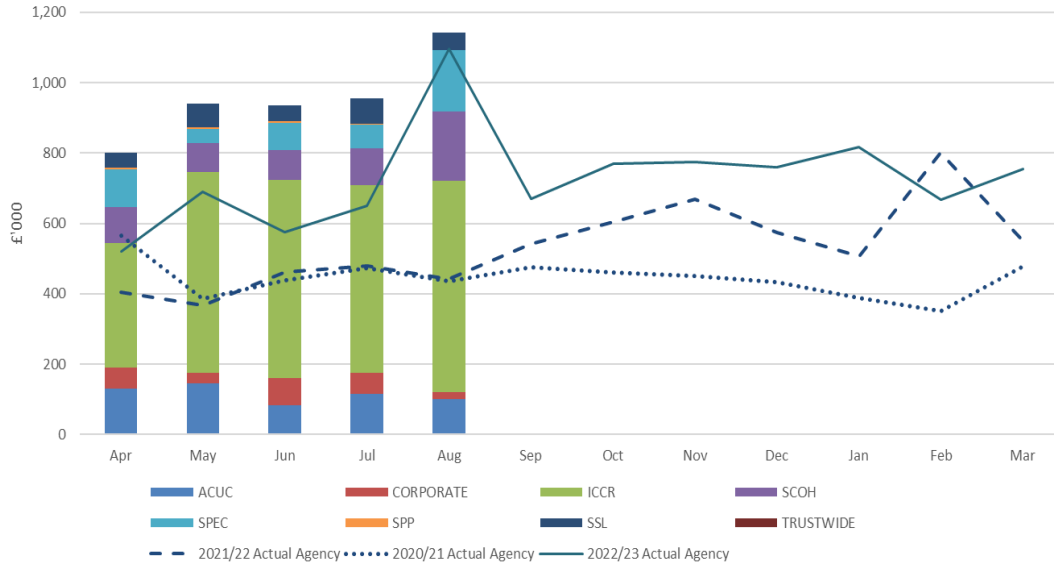
If the year to date average expenditure continued for the full year, this would equate to £46m (almost double the expenditure in 2019/20). It is forecast that there will be an improvement in run rate in response to the enhanced financial controls being introduced to support financial recovery, with a current forecast of £44.4m.

Bank expenditure £14.5m (75%) – the majority of bank expenditure relates to nursing bank shifts - £13.2m

Agency expenditure £4.8m (25%) – the majority of agency expenditure relates to medical agency - £2.8m.

For further analysis on bank and agency expenditure, see pages 5 to 6.

2023/24 Agency Spend by Service Area



KPIs	Target	Aug-23
Agency framework breaches	0	0
Above price cap agency bookings	0	40
Agency spend as % of pay bill (YTD)	3.7%	4.25%

Agency spend as % of pay bill YTD	Aug-23
ACUC	2.6%
CORPORATE	1.5%
ESTATES	2.2%
ICCR	10.6%
SCOH	2.3%
SPEC	2.2%
SPP	0.7%
SSL	7.2%

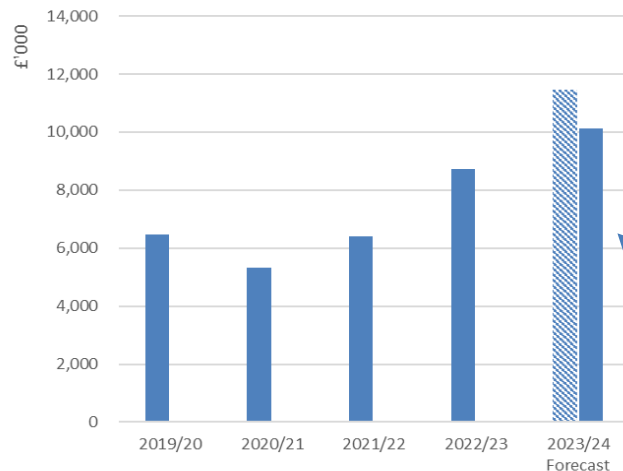
- Agency expenditure is £4.8m year to date. This is 4.25% of the year to date pay bill, compared to the NHSE ceiling of 3.7% - total breach of £613k.

- Expenditure increased by £186k compared to July, mainly due to:
 - Specialties £109k driven by Older Adults agency qualified nursing spend including year to date catch up.
 - Secure and Offender Health £93k. Of this, £46k is due to special nursing observations which is under review regarding coding. £26k increase in unqualified nursing agency spend (mainly FCAMHS Pacific ward).

- A straight line forecast of year to date expenditure would give a total spend of £11.5m. The actual forecast as submitted to NHSE is £10.1m in anticipation of the impact of enhanced controls being introduced to support financial recovery.

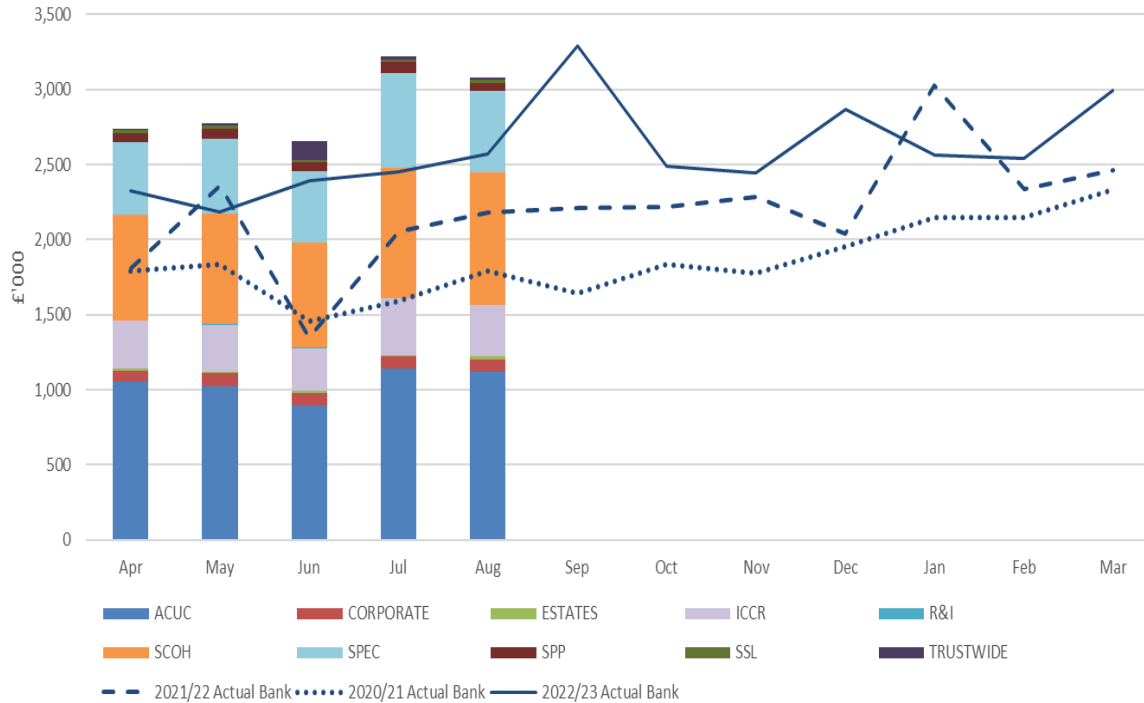
- 55% of the year to date expenditure was incurred by ICCR (11% of the ICCR pay bill year to date). 59% of total spend relates to medical agency.

Total Agency spend



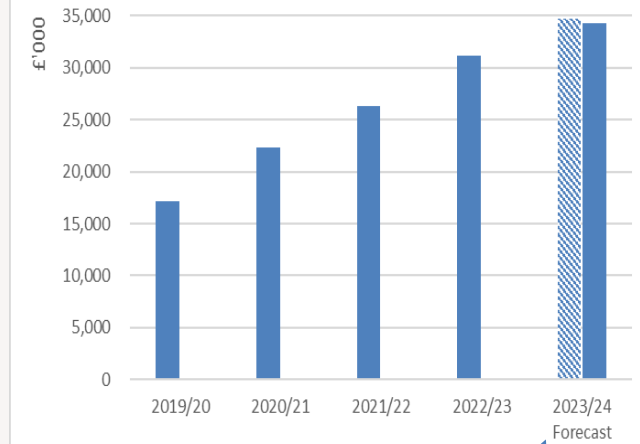
	2023/24 YTD
	£'000
Agency Expenditure	4,776
NHSE Ceiling (3.7% of pay bill)	4,163
Variance to NHSE ceiling	(613)
Agency Medical	2,805
Agency Nursing (Registered)	1,170
Agency Nursing HCA	263
Agency Other Clinical	204
Agency Admin & Clerical	334
Agency Expenditure	4,776

2023/24 Bank Spend by Service Area



Type	YTD £'000	% of spend
Bank Nursing	13,210	91%
Bank Other Clinical	189	1%
Bank Admin & Clerical	1,083	7%
Grand Total	14,482	100%

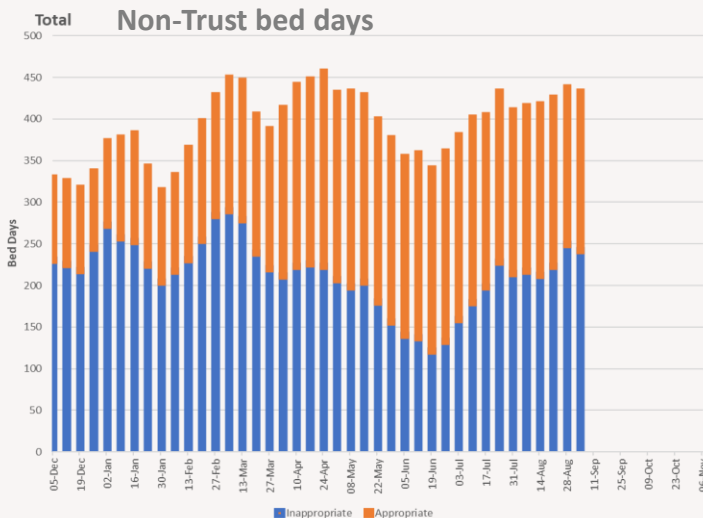
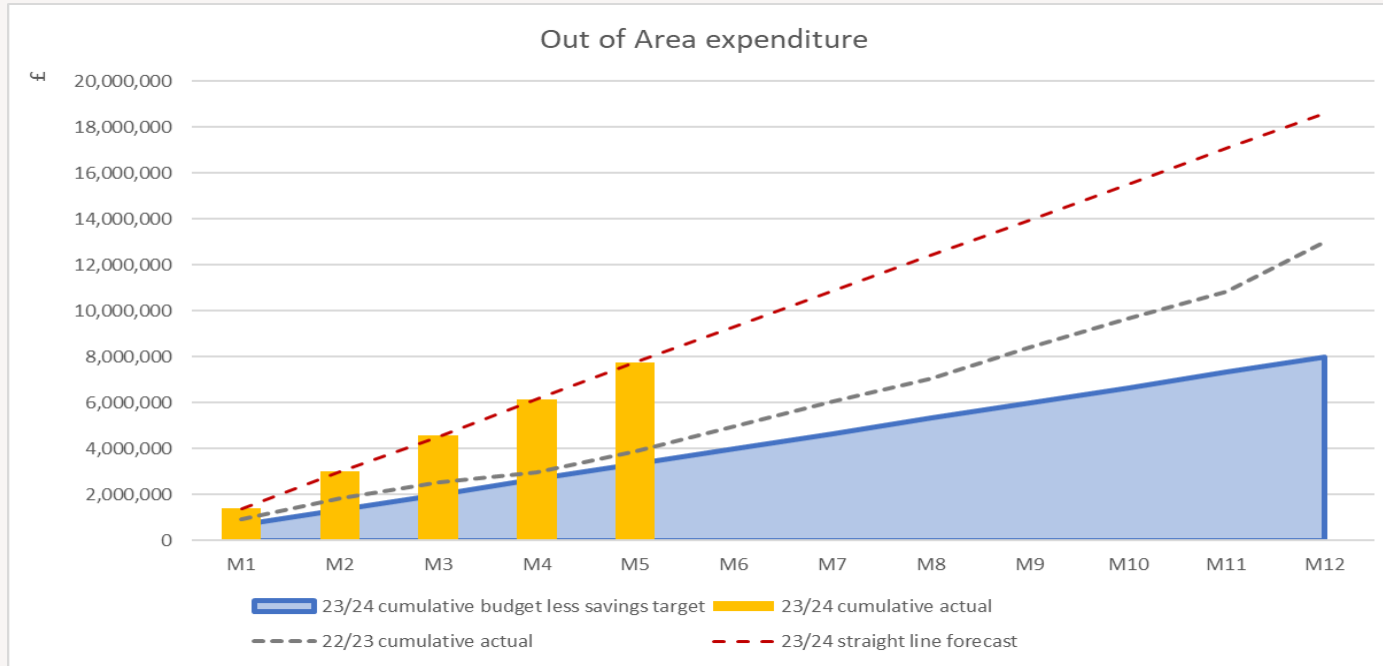
Total Bank spend



Bank expenditure

- Month 5 year to date bank expenditure is £14.5m. A straight line of year to date spend would result in £34.7m total spend. Forecast expenditure as submitted to NHSE is £34.3m, in anticipation of the impact of enhanced controls being introduced to support financial recovery.
- August bank expenditure has decreased by £134k compared to July, when spend spiked at the highest level year to date.
- Year to date bank expenditure has predominantly been incurred within the following service areas: Acute & Urgent Care £5.2m, Secure and Offender Health £3.9m and Specialities £2.6m.

Out of Area overspend



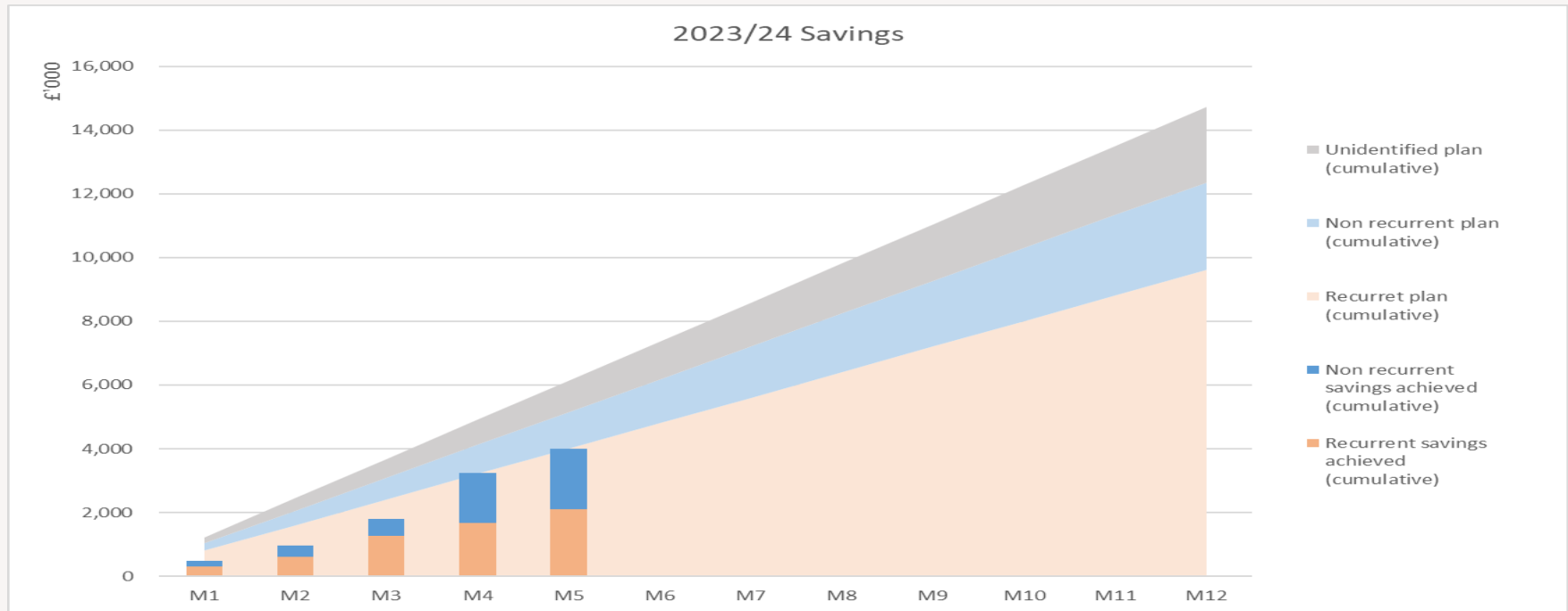
- Year to date out of area expenditure as at month 5 is £7.8m. This is double the cumulative expenditure at the same point in 2022/23.
- Total 2023/24 plan for out of area, including a £5m savings target, is £8m. Year to date overspend is £4.4m. If spend were to continue at the year to date average, total expenditure would be £18.6m; an overspend of £10.6m.
- Following the reduction in bed days in May/June, there has been an increasing trend in bed numbers throughout July and August, mainly relating to PICU beds.
- The impact of out of contract arrangements with Priory and Active Care Group is still being assessed.

The 2023/24 efficiency target is £14.7m. The savings plan submitted to NHSE as part of the financial plan submission on 5.4.23, comprised £9.6m recurrent savings plans and £5.1m non recurrent (including £2.4m unidentified plans).

Savings achievement at month 5 totals £4m, a shortfall of £2.1m year to date, driven by non-delivery against the out of area savings target.

£1.2m of the total £2.4m unidentified non recurrent plan has been offset by £1m additional interest receivable year to date and £0.2m additional overhead contribution.

Recurrent/ Non-Recurre	Scheme Name	Sum of Annual Plan	Sum of YTD Plan	Sum of YTD Actual	Sum of YTD Variance	
Non-recurrent	Budget setting pay review (not wte)	500	208	208	-	
	Budget setting pension review	1,400	583	583	-	
	Interest receivable (1%)	250	104	104	-	
	PFI - commercial performance settlement	600	250	-	(250)	Expect full year delivery in M6
	Unidentified	2,358	983	-	(983)	Offset by additional OH and IR below
	Additional interest receivable	-	-	1,021	1,021	Offset against unidentified plans
Non-recurrent Total		5,108	2,128	1,917	(211)	
Recurrent	Budget setting non pay review	1,250	521	521	-	
	Budget setting pay review (not wte)	1,059	441	430	(11)	
	Estates budget for Ross House (disposal)	150	63	31	(31)	
	Interest receivable (@2.25%)	200	83	83	-	
	OH contribution	1,950	813	813	0	
	Out of Area reduction	5,000	2,083	-	(2,083)	No delivery against OOA target YTD
	Additional OH contribution	-	-	213	213	Offset against unidentified plans
Recurrent Total		9,609	4,004	2,091	(1,913)	
Grand Total		14,717	6,132	4,008	(2,124)	



Consolidated Statement of Financial Position (Balance Sheet)

Statement of Financial Position - Consolidated	EOY - 'Audited' 31-Mar-23 £m's	NHSI Plan YTD 31-Aug-23 £m's	Actual YTD 31-Aug-23 £m's	NHSI Plan Forecast 31-Mar-24 £m's
Non-Current Assets				
Property, plant and equipment	214.2	213.0	213.0	211.3
Prepayments PFI	1.3	1.3	1.8	1.3
Finance Lease Receivable	-	-	0.0	-
Finance Lease Assets	0.0	-	-	-
Deferred Tax Asset	(0.1)	-	-	-
Total Non-Current Assets	215.4	214.3	214.8	212.6
Current assets				
Inventories	0.6	0.6	0.5	0.6
Trade and Other Receivables	28.2	28.2	19.6	28.2
Finance Lease Receivable	-	-	-	-
Cash and Cash Equivalents	59.0	58.6	80.9	56.8
Total Current Assets	87.9	87.5	100.9	85.7
Current liabilities				
Trade and other payables	(55.9)	(56.6)	(66.5)	(55.9)
Tax payable	(5.0)	(5.0)	(5.3)	(5.0)
Loan and Borrowings	(2.6)	(2.6)	(2.5)	(2.6)
Finance Lease, current	(1.1)	(1.2)	(1.1)	(1.2)
Provisions	(1.5)	(1.5)	(1.4)	(1.5)
Deferred income	(40.4)	(40.4)	(45.0)	(40.4)
Total Current Liabilities	(106.5)	(107.3)	(122.0)	(106.6)
Non-current liabilities				
Deferred Tax Liability	-	(0.1)	(0.1)	(0.1)
Loan and Borrowings	(25.1)	(24.1)	(24.1)	(23.0)
PFI lease	(45.7)	(44.9)	(44.9)	(43.8)
Finance Lease, non current	(7.9)	(7.4)	(7.4)	(6.8)
Provisions	(3.7)	(3.7)	(3.5)	(3.7)
Total non-current liabilities	(82.4)	(80.2)	(79.9)	(77.4)
Total assets employed	114.4	114.4	113.8	114.4
Financed by (taxpayers' equity)				
Public Dividend Capital	114.5	114.5	114.5	114.5
Revaluation reserve	41.7	41.7	41.7	41.7
Income and expenditure reserve	(41.9)	(41.9)	(42.4)	(41.8)
Total taxpayers' equity	114.4	114.4	113.8	114.4

SOFP Highlights

The Group cash position at the end of August 2023 is £80.9m, this includes Reach Out and the Mental Health Provider Collaborative.

For further detail on the current month cash position and movement of trade receivables and trade payables, see pages 10 to 11.

Current Assets & Current Liabilities

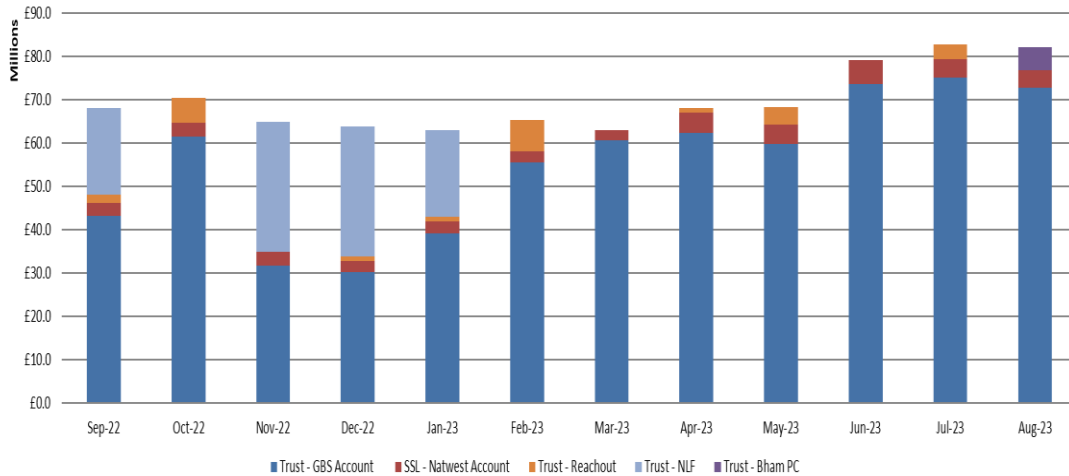
Ratios

Liquidity measures the ability of the organisation to meet its short-term financial obligations.

Current Ratio :	£m's
Current Assets	100.9
Current Liabilities	-122.0
Ratio	0.8

Current Assets to Current Liabilities cover is 0.8:1 this shows the number of times short-term liabilities are covered.

Group Cash Holding



Cash

The Group cash position at the end of August 2023 is £80.9m.

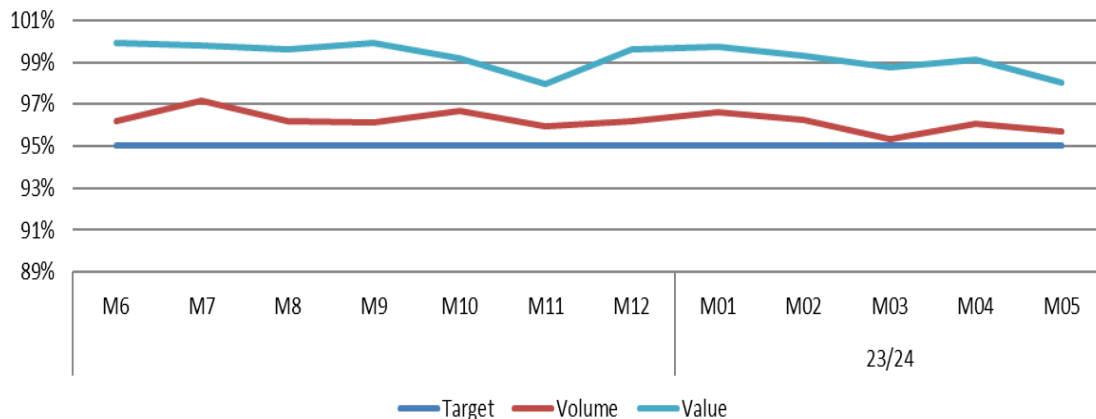
At this present time, the National Loan Fund (NLF) is not offering a more favourable interest rate than the Government Banking Service (GBS) hence we have not placed any short-term/long-term deposits.

Better Payments

The Trust adopts a Better Payment Practice Code in respect of invoices received from NHS and non-NHS suppliers.

Performance against target is 97% for the month, based on an average of the four reported measures. Payment against value remains particularly high.

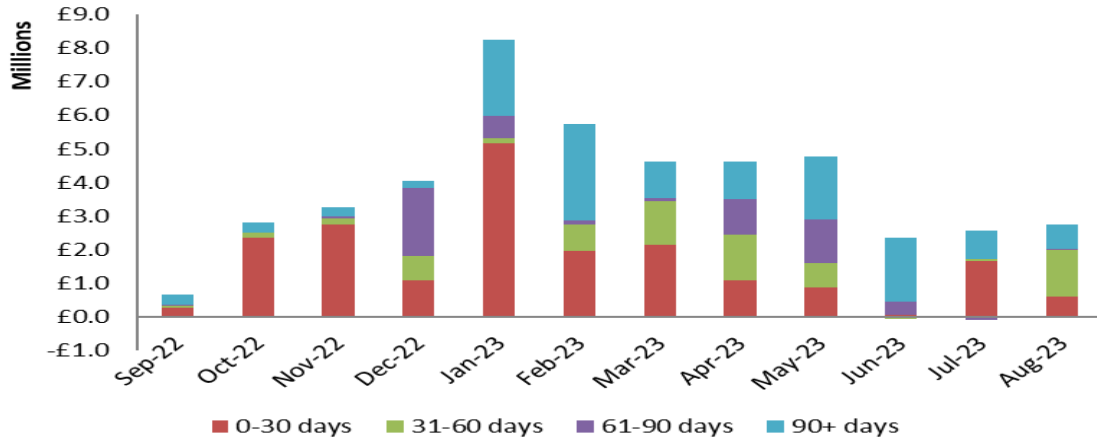
Public Sector Pay Policy



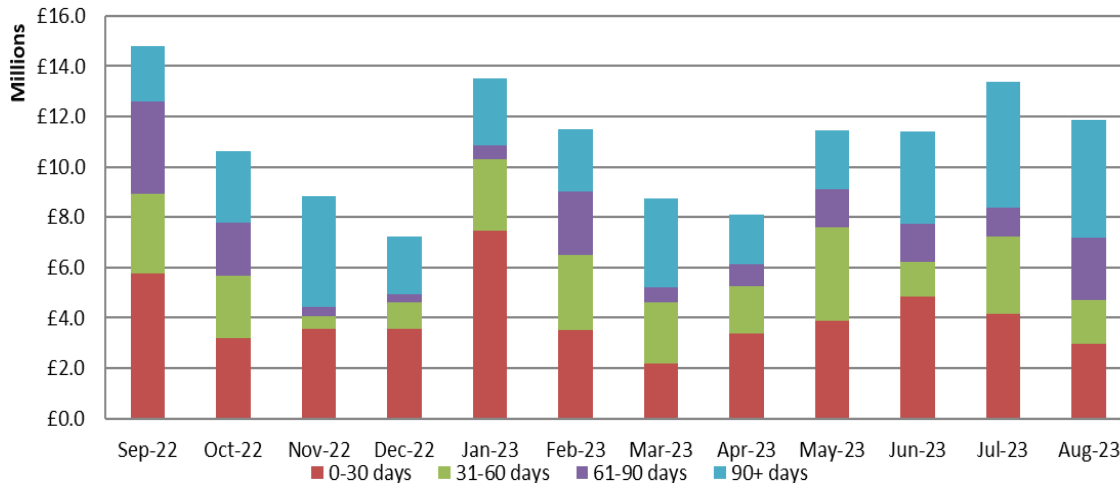
Better Payment Practice Code :

	Volume	Value
NHS Creditors within 30 Days	97% ✓	100% ✓
Non - NHS Creditors within 30 Days	96% ✓	97% ✓

Ageing of Trade Receivables



Ageing of Payables



Trade Receivables & Payables

There is continued focus to maintain control over the receivables & payables position and escalate to management, the system and other partners where necessary for urgent and prompt resolution.

Receivables :

- **0-30 days-** balance reduced in month as regular payments are being received & have been received during September 2023.
- **31-60 days-** increase in balance mainly due to UHB £937k invoices raised without contracts agreed & no purchase orders in place so anticipated delays in payment, balance relates to staff overpayments (on payment plans)
- **61-90 days-** slight increase in month relating to queries with WHSSC £84k, South Warwick £50k, SDSmyhealthcare £35k, balance mainly relates to staff overpayments (on payment plans)
- **Over 90 days** –overall balance due to queries with UHB £201k, BWC £282k awaiting approval, BUPA £62k, Nottinghamshire NHS £48k, South Warwickshire Partnership Trust £24k, DOH £57k still under review/in query, balance staff overpayments (on payment plans).

Trade Payables:

Over 90 days -

- Bham W&C £424k paid in Sept 23, Nottingham HC £416k RO in query, Mid Partnership £292k RO in query, NHS Property £263k-historic invoices
- Non-NHS Suppliers (65+) £2.6m – mainly bed fees invoices in query, most accounts are awaiting credit notes or adjustments due to disputes/other. Some payments/queries settled in Sept 2023.



Month 5 Capital Expenditure

Capital schemes	Annual Plan	YTD Plan	Total Actual	Variance to plan
	£'m	£'m	£'m	£'m
Approved Schemes:				
Minor Projects (inc Carry-Forward)	1.7	0.0	0.6	0.6
SSBM Works	2.0	0.2	0.3	0.1
ICT Projects	0.9	0.0	0.4	0.4
Risk Assessment Works	0.4	0.0	1.4	1.4
CAMHS Seclusion Suite (PDC Funded)	1.3	0.1	0.0	-0.1
Total	6.3	0.3	2.8	2.5



Group Capital Expenditure

Group capital expenditure is £2.8m year to date. This is £2.5m adverse to the year to date plan due to works progressing ahead of plan, mainly related to risk assessment works including door set expenditure.

Capital Plan

The 2023/24 capital plan submitted to NHSE was £7m. This is based on a capital envelope of £6.25m plus notional allocation of £0.7m system capital investment fund (SCIF) which has been split across all system partners on a fair share basis. The actual allocation of SCIF is still to be agreed by the system and therefore, expenditure is being monitored against the £6.25m envelope. It is anticipated that there will be a of review strategic priorities across the system during September.

At the time of writing, the month 5 financial position for Birmingham and Solihull Integrated Care System (BSOL ICS), is draft:

- The draft revenue system position is a year to date deficit of £41m. This is a deterioration of £11m compared to month 4, mainly driven by the UHB position. The system forecast currently remains at break even.
- The draft system capital position is showing expenditure at £6.8m ahead of plan, driven by BSMHFT £2.4m, UHB £3.7m and BWCH £2m.
- Agency spend for the system as a whole is 4.9% of the total pay bill (NHSE ceiling is 3.7%)

Given the deteriorating financial position of the system, work is ongoing to introduce enhanced financial controls, for further detail, see page 16.

Revenue

Organisation	Surplus / (Deficit) - Adjusted Financial Position							Prior Month		Movement	
	Plan	Actual	Variance		Plan	Forecast	Variance	Actual	Variance	Actual	Variance
	YTD	YTD	YTD	YTD	Year Ending	Year Ending	Year Ending	YTD	YTD	YTD	YTD
	£000	£000	£000	%	£000	£000	£000	£000	£000	£000	£000
Birmingham And Solihull ICB	5,756	3,547	(2,209)		-	-	-	3,816	-2100.71	(269)	(108)
Birmingham And Solihull Mental Health NHS Foundation Trust	-	(532)	(532)	(0.2%)	-	-	-	-442	-442.421	(89)	(89)
Birmingham Community Healthcare NHS Foundation Trust	220	(969)	(1,189)	(0.8%)	-	-	-	-1,038	-1213.72	69	25
Birmingham Women'S And Children'S NHS Foundation Trust	0	(1,067)	(1,067)	(0.4%)	0	0	0	-1,609	-1608.99	542	542
The Royal Orthopaedic Hospital NHS Foundation Trust	227	(2,664)	(2,891)	(5.5%)	(0)	-	0	-1,986	-2085.24	(677)	(805)
University Hospitals Birmingham NHS Foundation Trust	(9,400)	(39,352)	(29,952)	(3.3%)	-	0	0	-28,886	-18786.3	(10,466)	(11,166)
ICS Total	(3,197)	(41,036)	(37,839)	(0)	(0)	1	1	(30,145)	(26,237)	(10,890)	(11,601)

Agency

	Agency spend as % of total pay bill	
	YTD	FOT
Birmingham And Solihull Mental Health NHS Foundation Trust	4.25%	3.79%
Birmingham Community Healthcare NHS Foundation Trust	6.33%	5.32%
Birmingham Women'S And Children'S NHS Foundation Trust	3.79%	3.86%
The Royal Orthopaedic Hospital NHS Foundation Trust	8.41%	7.72%
University Hospitals Birmingham NHS Foundation Trust	4.80%	4.48%
Total	4.86%	4.50%

Capital

	Plan	Actual	Variance		Plan	Forecast
	YTD	YTD	YTD		Year Ending	Year Ending
	£'000	£'000	£'000	%	£'000	£'000
Birmingham And Solihull Mental Health NHS Foundation Trust	375	2,805	(2,430)	-647.9%	6,977	6,977
Birmingham Community Healthcare NHS Foundation Trust	1,886	642	1,244	66.0%	6,372	6,372
Birmingham Women'S And Children'S NHS Foundation Trust	3,474	5,518	(2,044)	-58.8%	20,874	20,874
The Royal Orthopaedic Hospital NHS Foundation Trust	1,314	1,182	132	10.0%	3,909	3,909
University Hospitals Birmingham NHS Foundation Trust	12,227	15,909	(3,682)	-30.1%	37,071	37,071
Total Provider charge against allocation	19,276	26,056	(6,779)	-35.2%	75,203	75,203

Enhanced Financial Controls

Given the deteriorating financial position across BSOL ICS (£30m deficit at month 4, with a draft month 5 deficit of £41m) work is ongoing regarding the introduction of enhanced financial controls to support financial recovery. The following key actions have been taken to date

Initial changes

BSMHFT:

On 14.8.23, the BSMHFT Executive Team approved the following proposals:

- Introduction of a weekly Workforce Approvals Group to review all vacancy requests – commenced w/c 21.8.23
- Introduction of a weekly investment oversight panel
- No sale of annual leave for 23/24 – communications early to ensure maximum of five days carried forward
- Revert mileage allowance back to national A4C rates
- Introduce direct engagement for medics as soon as possible

Internal communications have been made in August to inform the organisation of the financial position and the initial actions to be taken, see Appendix 1.

System wide:

- ICS Financial Recovery Board has been introduced, with the first meeting held on 1.9.23. Membership includes the CEO and CFO of all system partners. The Board will have oversight of financial recovery plans and key system efficiency programmes. For the Board terms of reference, see Appendix 2.
- KPMG Financial Recovery Diagnostics – a 6 week project lead by KPMG, due to be completed mid to late September. See Appendix 3 for the outline work plan.

Ongoing work

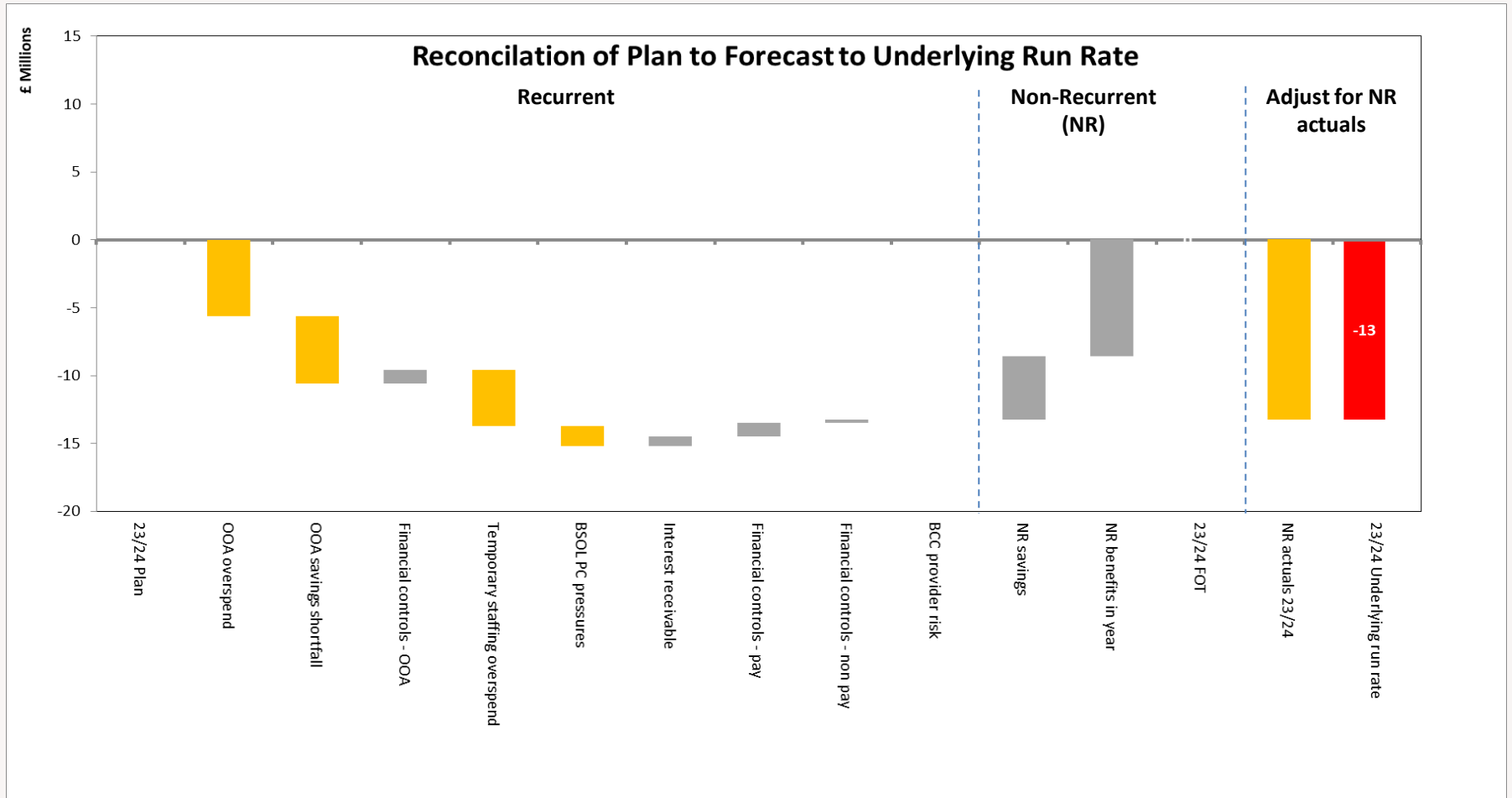
- In line with the NHSE financial controls letter of 9.8.23, each system organisation was asked by the ICB to:
 - review compliance against each control. See Appendix 4 for BSMHFT initial assessment.
 - Develop a financial recovery plan by 29.9.23.
 - Submit updated efficiency plans by 29.9.23, demonstrating that 90% of 2023/24 schemes have been ‘developed’ and are ‘in delivery’

Forecast Outturn 2023/24

Group Summary	YTD Position			Full Year			Commentary
	Budget	Actual	Variance	Plan	Forecast	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
Income							
Patient Care Activities	240,078	237,920	(2,158)	576,192	582,211	6,019	Additional income above plan - Reach Out non recurrent funding, medical pay award, specialising, plus deferred income release partly offset by underperformance on FCAMHS low secure, St Andrews FIRST
Other Income	7,847	10,802	2,955	18,832	24,687	5,855	Additional LDA income above plan, one off PFI settlement agreements and release of income relating to People Board and Shared Care Record deferred from prior year (offset by non pay expenditure)
Total Income	247,925	248,722	797	595,025	606,898	11,873	
Expenditure							
Pay	(114,996)	(112,510)	2,486	(275,982)	(269,406)	6,576	Forecast £2.7m overspend on bank and £1.4m overspend on agency. Substantive underspend due to ongoing vacancies, slippage against new investment and some budget realignment requirement
Other Non Pay Expenditure	(117,328)	(121,118)	(3,790)	(281,601)	(299,403)	(17,802)	Forecast overspend mainly attributable to £11m out of area - budgetary overspend and slippage against £5m savings target, £2m unidentified savings non pay offset mainly in interest receivable, £2m SSL costs (mainly pay award impact), £1m SPT
Drugs	(2,532)	(3,058)	(525)	(6,077)	(7,171)	(1,093)	
Clinical Supplies	(331)	(257)	75	(795)	(625)	170	
PFI	(5,254)	(5,904)	(649)	(12,611)	(14,614)	(2,003)	PFI water management costs
EBITDA	7,483	5,876	(1,607)	17,959	15,679	(2,279)	
Capital Financing							
Depreciation	(4,127)	(4,055)	72	(9,906)	(9,775)	130	
PDC Dividend	(716)	(716)	-	(1,717)	(1,717)	-	
Finance Lease	(2,372)	(2,380)	(8)	(5,693)	(5,693)	0	
Loan Interest Payable	(442)	(451)	(10)	(1,060)	(1,060)	(0)	
Loan Interest Receivable	332	1,353	1,021	797	2,948	2,151	Interest receivable above plan due to cash balance and increased interest rates - offset non recurrent savings targets in non pay
Surplus / (Deficit) before taxation	158	(373)	(532)	380	382	2	
Impairment	-	-	-	-	-	-	
Profit/ (Loss) on Disposal	-	-	-	-	-	-	
Taxation	(158)	(160)	(2)	(380)	(382)	(2)	
Surplus / (Deficit)	0	(533)	(533)	0	(0)	(0)	

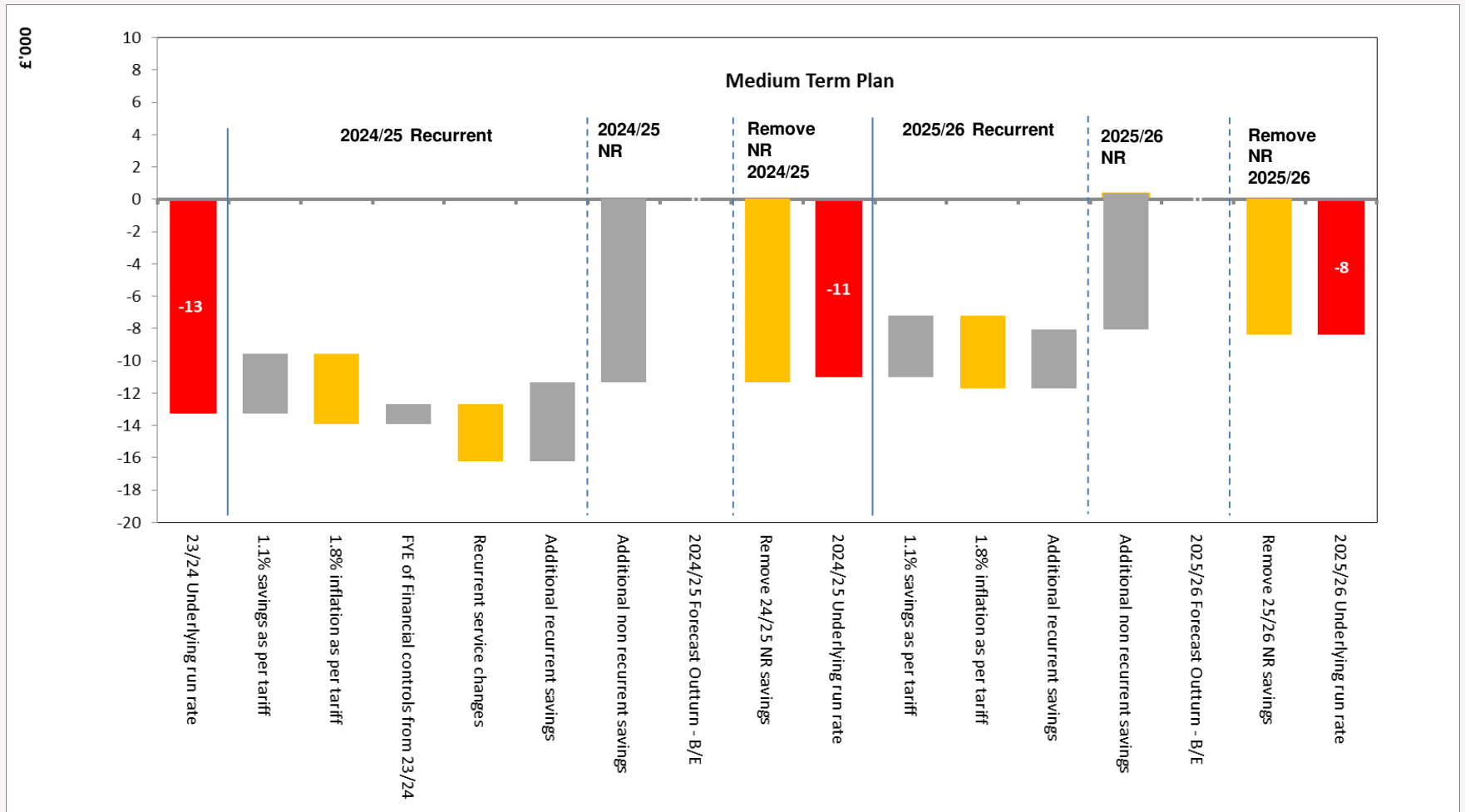
2023/24 Forecast and Underlying Run Rate

The forecast position for 2023/24 is held at break even, in line with plan. This will be partly achieved via non recurrent savings and non recurrent benefits in year and the current assessment of the underlying run rate is £13m deficit. It is assumed that financial controls implementation will reduce run rate by £1.3m in year, mainly relating to pay controls. These workings will inform the financial recovery plan to be submitted to the ICB at the end of September.



Medium Term Plan

There has been a request by NHSE Midlands regional team to complete a medium-term financial plan. The expectation is that systems should be able to demonstrate achievement of recurrent financial balance by 2024/25. This is a high-level assessment of the expected future financial outturn, taking into account current assessment of underlying run rate, impact of financial controls and application of specified inflation and efficiency tariff assumptions. The bridge below shows a break even outturn for 2024/25 and 2025/26, however, the underlying run rate is £11m deficit and £8m deficit respectively. The savings plans assumptions to achieve break even (including 1.1% tariff efficiency target) are currently £20m for 2024/25 and £16m for 2025/26.



Budget Setting 2024/25

The budget setting process for 2024/25 is now underway, the key steps are summarised below. For completeness and to satisfy audit requirements, the budget setting process document is attached in Appendix 5.

Revenue Financial Plan:

Phase 1 - August to October 2023

- **Budget review and realignment** - Financial management teams will work with budget holders to review recurrent expenditure budgets and income targets and use financial trends and forecast data to action any necessary budget realignments within the service area budgetary envelope.
- **Cost Pressures** - All cost pressure funding requests to be completed using the appropriate business case template and submitted by the end of November, ready for review by the Executive Team at the beginning of December.
- **Savings** - It is proposed that a 1% savings target is applied to all corporate and service area budgets, with savings plans to be developed for initial review at October Sustainability Board. Detailed assessments and CQEIA to be completed during November. Final recommendation and review of savings plans at November Sustainability Board. Savings plans should be ready to deliver from 1 April 2024.

The Committee is asked to endorse this approach to identifying initial savings plans for 2024/25.

It is anticipated that the remainder of the 2024/25 savings will be achieved via transformational plans including work that has commenced on out of area, direct engagement and KPMG financial diagnostics outcomes.

Phase 2 November 2023 to January 2024

Financial management teams will work with budget holders to ensure they have completed full establishment costings. Non pay and capital financing inflation will be calculated in line with national tariff guidance. There will be a review of savings plans progress and the outcome of cost pressure submissions will be determined by the Executive Team.

Phase 3 February to April 2024

Income contracts to be finalised and final adjustments to the plan to be completed ahead of submission to FPP and Trust Board for approval prior to submission to NHSE. Associate Directors to formally sign off their service area budgets.

Capital Financial Plan:

In line with the agreed annual cycle for capital planning and the capital prioritisation process, Capital Priority Grouping Owners to determine capital priorities for the next two financial years in preparation for review and sign off by December Capital Review Group. Once the capital envelope is known, final proposed capital plan to be submitted to FPP and Trust Board in February 2024 for approval.

Appendix 1

Financial Controls

Internal Communication

Dear colleague,

The cost-of-living has been on our minds for some time and something as a Trust and system we have continued to monitor. I'd like to thank individuals and teams for taking local ownership over the last few months and working hard to balance expenditure with quality and safety of care.

At the end of July, however, we have reported an overspend of nearly £500,000. Across the Birmingham and Solihull (BSol) system, our partners are also reporting overspends. Over the last few years our financial position has always been good and while our current deficit is relatively small given the size of our Trust, if our finances continue on this downward trajectory, we will not achieve the requirement to break even by 31 March 2024.

As a health system we have been asked by NHS England to tighten up our financial governance and implement a number of cost-saving measures. We have taken a look at those and carefully considered how these can best be implemented and will be introducing a few changes as detailed below.

1. **From 1 September 2023 we will be reverting back to the national Agenda for Change mileage allowance of 56p/mile**

Last year we increased the rate twice up to 64p/mile (April and October 2022) for those of us who use our cars during work time. We've kept those costs consistent for as long as we can and we're the last across the BSol system to bring them back down, in parity with other local NHS Trusts.

2. **We will be removing the option of selling back annual leave**

Last year we were in a better financial position to offer this and recognise this was our single biggest discretionary spend at £660,000. The option to carry over five days will remain. Exceptional circumstances beyond this will need to be presented to your line manager and the appropriate considerations made.

3. **For budget managers, there will be a requirement to submit paperwork in support of any single project expenditure (not including any Estates/SSL projects) that exceeds £20,000**

This is so that we can look at value for money, affordability and need.

4. **A vacancy panel for all vacancies across the Trust will be established**

This will be facilitated by the Recruitment team. All requests for recruitment will be reviewed but with an assumption that Band 5 nurses will be automatically approved.

5. **Introduction of a Temporary Staffing Panel**

This will be used to review all block booking TSS requests.

We're also doing a lot of work currently to reduce out of area placements and spend on bank staff which will continue, alongside these cost-saving measures. At this stage, this is what is required to recover the current overspend and break even by 31 March 2024 and in future financial years.

The Integrated Care Board (ICB) has set up a monthly Financial Delivery and Oversight Group that will oversee the actions all Trusts have in place, to address the BSol system's financial challenges.

We also welcome any other ideas you may have that can help us to save money, without compromising the care we provide. If so, please email bsmhft.costsavings@nhs.net.

On behalf of the Trust Board, I'd like to thank you in advance for your support while we take these necessary steps. We will continue to keep you updated with our progress over the coming weeks and months.

Best wishes

Patrick Nyarumbu
Deputy Chief Executive

Appendix 2

Financial Recovery Board

Terms of Reference

Birmingham and Solihull Integrated Care System

Financial Recovery Board

Terms of Reference

1. Context & Authority

The Financial Recovery Board is constituted as an officer-led committee of NHS Birmingham and Solihull ICB, reporting into the ICB Finance and Performance Committee, however its function is to oversee financial recovery across the whole Integrated Care System (ICS).

These Terms of Reference (ToR) set out the membership, the remit, responsibilities and reporting arrangements of the Committee.

2. Purpose

The role of the Board is to oversee the development and delivery of Birmingham and Solihull's Financial Recovery Plan, both at a system and at an individual organisation level.

The Board will ensure all partners are committed to the actions required to deliver on the statutory financial duty of each organisation to deliver services within the funding set out in annual plans, both at an organisation and system level.

3. Membership and Attendance

Membership

The Board will consist of the 6 Chief Executives and 6 Chief Finance Officers of each NHS organisation that collectively makes up the financial performance of the ICS.

Clinical Representation - TBC

Where members are unable to attend, it is expected that a suitable deputy will be nominated to attend in their place.

Chair and Vice Chair

The Board will be chaired by the Chief Executive Officer for NHS Birmingham and Solihull ICB. The Vice Chair will be the Chief Finance Officer for NHS Birmingham and Solihull ICB.

Attendees

In addition to the members set out above, the following individuals will also be invited to attend:

- Chief Executive Officer of Sandwell & West Birmingham NHSFT
- System SROs for key efficiency programmes

4. Meetings Quoracy and Decisions

The Financial Recovery Board will usually meet monthly but may be called at any other such time as the Committee Chair may require.

Quorum

For a meeting to be quorate, there should be a minimum of one member in attendance from each of the 6 NHS organisations that collectively makes up the financial performance of the ICS, including the Chair or Vice Chair. This can include a nominated deputy for any of the named members.

Decision making

The committee will have no formal decision making powers, however it is expected that members will use the delegated authority that sits with them from their own organisations to agree and implement organisational and system decisions that support overall financial delivery.

5. Roles & Responsibilities

The Board's duties may be categorised as follows, although will be reviewed by the Board on a periodic basis:

Oversight of Financial Recovery Plans

- To oversee the approval and delivery of the system financial recovery plan, and the organisational recovery plans that form part of this.
- To monitor the risks of delivery and ensure appropriate mitigations are in place
- Where the plan is off-track, agree collective system actions to address this and bring performance back in line with the plan.
- Ensure that decisions are taken that support both in-year financial delivery and medium term plans to bring the system back into underlying financial balance.

Oversight of key system efficiency programmes

The Board will ensure that key system efficiency programmes are on track, and agree mitigating actions to address any underperformance as appropriate. The initial set of programmes are set out below, however it is expected that these will develop further during 2023/24:

- Agency reduction programme
- Corporate Services redesign
- KPMG system efficiency diagnostic

Enhance and embed a system-first approach to financial delivery and sustainability

- Ensuring a collective approach to financial leadership with clear organisational responsibilities within a system framework to ensure the best possible use of resources for the local population.
- Ensure consistency of approach where this will have a positive impact on the overall delivery of financial statutory duties. This should include, where possible, collective agreement on a consistent system approach to financial controls, pay rates, pay incentives etc.
- To accelerate strategic transformation to support financial delivery, whilst retaining a focus on quality and safety, strengthening workforce resilience and removing cost duplication

Appendix 2 continued

Financial Recovery Board

Terms of Reference

6. Accountability and reporting

The Committee is accountable to the ICB Finance & Performance Committee and shall report to the committee on how it discharges its responsibilities.

Members are accountable for the delivery of their individual organisation's statutory financial duties, at both an organisation and system level.

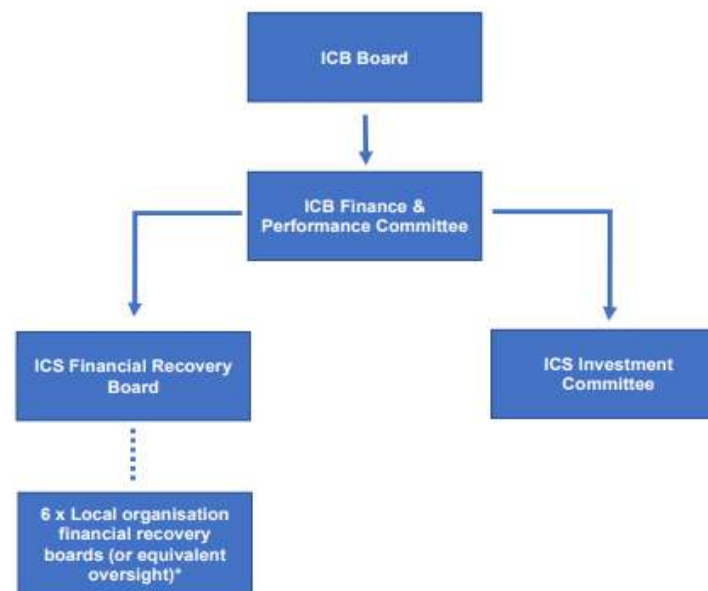
7. Secretariat and Administration

Secretariat support will be provided by the ICB

8. Review

The Committee will review its Terms of Reference and overall effectiveness after it's first quarter to ensure that it is fit for purpose in supporting system financial delivery.

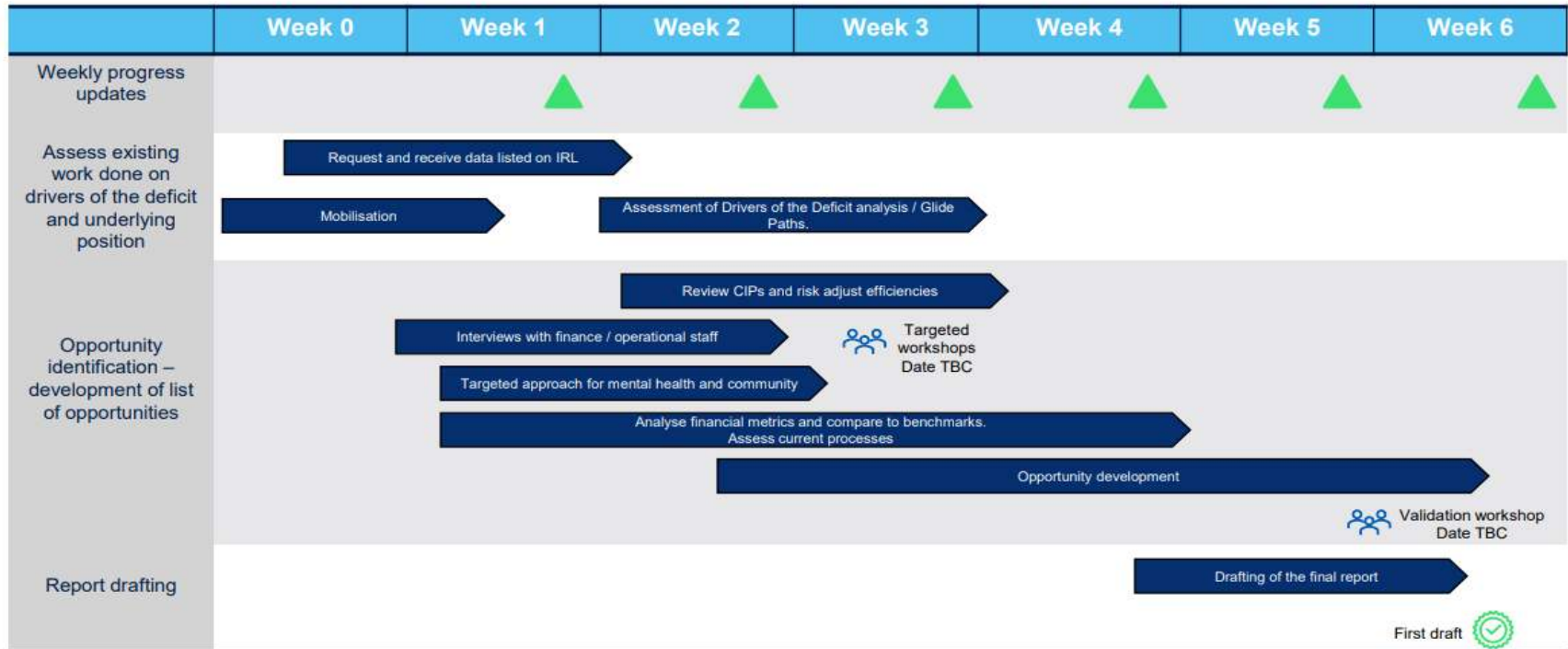
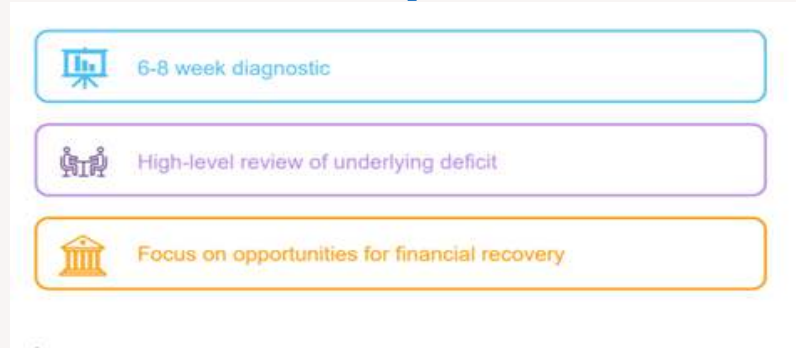
Governance Structure



**Local oversight dependent upon each organisation's specific financial position*

Appendix 3

KPMG Financial Diagnostics work plan



Appendix 4

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
1 a)	Workforce and Pay - Recruitment Process and Review of Vacancies			
1 a)	Challenge & review establishment growth since 2019/20: Prepare a full reconciliation of staff increases since 19/20 with full justification for posts based on outcomes / safety /quality / new service models. Where posts are not justifiable, a plan to remove needs to be in place.	Yellow	01/08/2023	Ongoing reviews - analysis done in various ways including 19/20 v 22/23 bank v substantive spend at individual ward level, assessment of new SDF and MHIS investment and analysis of particular corporate teams comparing pre covid levels
1 a)	Vacancy freeze: <ul style="list-style-type: none"> Review all current open vacancies with a view to remove or freeze posts. Focus on long term/6-month vacant posts initially with an assumption that these should be removed or re-engineered. Bank and agency back fill not permitted. Implement non-clinical recruitment freeze unless it can be evidenced by exception that role is business critical or key for financial / quality management. 	Red		BSMHFT have indicated that they will not be implementing a vacancy freeze - all vacancies will be reviewed through the Vacancy Control Panel overseen by the Deputy CEO/Exec Director with responsibility for People
1 a)	Vacancy control panel: Establish a regular vacancy control panel (VCP) or equivalent to check and challenge recruitment to ensure all vacancies remain within authorised budgetary limits. Ensure that approval is at an Executive level.	Green	14/08/2023	overseen by Deputy CEO/Exec Director with responsibility for people. Analysis shows new or replacement post etc and panel query whether post should proceed or whether alternative (inc FTC) might be more appropriate
1 a)	Review of external funding: Review the establishment to remove partial posts not required and identify unfunded posts which should be removed, or matching funding confirmed with 3rd parties.	Yellow	01/08/2023	Establishments continue to be reviewed - major ward based establishment review using MHOST - to be reported to committees in Autumn 23
1 a)	Review pay spend approval profiles: Review current governance arrangements for recruitment and temporary staffing (panels and sign off at all levels of the organisation including groups, Terms of Reference, SFIs and sign off rights).	Yellow	Ongoing	SFIs and SOD were reviewed and amended following introduction of commissioning responsibility - May 23. Some services areas have raised approval levels for spend and vacancy approvals
1 a)	Workforce plans: Ensure workforce plans are in place and that these are in a granular level of detail (e.g. by service, workforce type and substantive / temporary) and align to approved establishment levels and budget.	Green	01/05/2023	Detailed workforce planning round completed as part of annual planning round but continued into 23/24 - reported through People Ctte but also preparation for 24/25

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
1 b)	Workforce and Pay - Rostering			
1 b)	Nursing and medical rotas to be reviewed weekly and temporary cover reviewed		Ongoing	
1 b)	Reconciliation of rosters for nursing and medical to financial budgeted establishment.		Ongoing	
1 b)	Review specialing policy, approvals, and tracking process to ensure standardised approach linked to patient need/acuity		Ongoing	
1 b)	Review compliance with / introduce CNS and AHP job planning process to identify opportunities for greater productivity.		Ongoing	
1 b)	Roll out e-rostering with 6-8 week forecasts and approval, and minimal changes to rosters once approved, for all staff grades (linked to patient acuity)		Ongoing	
1 b)	Assure the process for the correct accounting for breaks and hours claimed within e roster is correct and in accordance with AFC T&Cs.		Ongoing	
1 b)	Ensure all staff are working their contracted hours and that hours owed and owing is correctly reflected into rotas.		Ongoing	
1 b)	Set up weekly monitoring for shift requests vs. shift fill rate vs. planned capped trajectory and any associated care and safety issues		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 b)	Review consultant job planning compliance (assess current level of rollout) to identify opportunities for greater productivity (review of low and high PA staff)		Ongoing	Medical Director and deputy MDs continually review job planning process and where additional PAs are paid
1 b)	Support Medical Director leadership and consultant champions (e.g. Junior Doctors); consider use of dashboards to track medical productivity including job plan delivery (individual and then team job plans).		Ongoing	Need to ensure focus on mental health elements
1 b)	Benchmark WLI rate against local organisations. Enhance authorisation process for WLIs, ensuring WLIs offer financial benefit or are operationally critical before approving	N/A		
1 b)	Improve transparency of medical workforce holiday planning to core planning teams, linking to theatre and clinic planning		Ongoing	Clinical Directors have continued practice implemented through covid pandemic of effective holiday planning
1 b)	Review on-call run rate for utilisation trends	N/A		

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
1 c)	Workforce and Pay - Temporary staffing/bank/agency controls			
1 c)	Ban on usage of non-clinical agency staff, with exceptions authorised by an executive director and then requiring onward double / triple lock approval.		01/05/2023	
1 c)	Review nursing agency use before, during and after school holiday periods (tests the strength of rota planning) and provide constructive challenge to heads of nursing on agency use		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Establish governance process to oversee temporary staffing with clear ToR (either at overall level or by key staffing group e.g. nursing, medical, corporate), with updates from key areas set out to drive action.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Implement prior approval for overtime and enhanced payments, with a clarity on senior sign off for these costs. A week by week trajectory, with reduction over time, should be set for these payments with choices then made by senior management within these reducing capped levels		01/05/2023	Any enhanced payments need 2 execs to approve - none approved so far in 23/24
1 c)	Perform a monthly 'audit' of the top 10 highest overtime earners by central team with specific actions for reduction		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Impose greater controls over agency usage – this should include a specific cap on agency spend per week – with a week by week and month by month plan to reduce this cap over time.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Hold weekly agency meetings across all staffing groups attended by finance and key stakeholders, to review and control agency spend in line with weekly capped levels.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Track number of interims, termination dates, delivery of objectives, and daily rates. Within capped limits confirm a trajectory for reduction of these costs.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Track number of secondments, termination dates		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Promote, or establish then promote, the use of the Trust internal bank among Trust staff as an alternative to agency.		01/05/2023	65% of agency usage is medical - relatively limited usage compared to bank
1 c)	Agree an implementation date for a ban on recruitment of non-framework agency staff with an associated organisation-wide temporary staffing policy		01/04/2023	Non framework providers never used
1 c)	Identify medical rotas with the highest use of temporary and bank staff and set out a plan to address		01/04/2023	Ongoing piece of work to explore bespoke packages to attract high cost agency medics to move to locum arrangements
1 c)	Seek local agreement of agency pay rates with surrounding Trusts / explore use of a system collaborative bank.		Ongoing	Discussions with other local mental health trusts around usage - compared with Black Country relatively low levels of nursing agency
1 c)	Assure the process for the correct accounting for breaks and hours claimed in timesheets (i.e. agency workers are only paid for time worked, in accordance with Trust policies).		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Limit the authorisation of agency staff to Executives or named senior managers; follow up on all short notice use.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards
1 c)	Weekly dashboard to be widely shared summarising temporary staff usage v planned trajectory, cost and trends.		Ongoing	Part B element of new Workforce Approvals Group to review temporary staffing approvals and challenge high use wards

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
1 d)	Workforce and Pay - Other Pay Controls			
	Sickness / absence management:			
	<ul style="list-style-type: none"> • Ensure that rigorous illness policy and procedure is in place and communicated to minimise absences (inc. return to work meeting). Long term sickness cover to be planned. • Set a % target for staff off sick at any time and measure performance against this. Consider increasing sign off levels for sick leave to ensure transparency. • Set % target for staff on leave at any time and measure performance against this. Build into rotas - medical and nursing. • Review and relaunch of annual and study leave policies with tighter controls and approvals. 		Ongoing	People Ctte received regular updates on all of these elements including areas of concern and good practice
1 d)	Retention maximisation: Retention variables reviewed – exit interviews, flexible working options, retentions schemes.		Ongoing	Key focus of People strategy this year as reporting into People Ctte
1 d)	Controls around leavers to ensure no overpayments. Pay listings to be signed off monthly.		01/04/2023	Continued focus of Audit Committee
1 d)	WTE tracker: Implement a comprehensive and regular head count tracker (temporary and substantive).		Ongoing	To become part of workforce approvals group and other trackers as part of KPI reporting into People Committee
1 d)	Closure of escalation wards		Not relevant	
1 d)	Reduce usage of adult RMNs in the emergency department setting.		Ongoing	Work with system to manage all relevant patients in ED with BSMHFT continuing to honour contractual obligations through the Psych Liaison Teams

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
2	Procurement / non-pay – discretionary spend			
	Ensure a robust purchase ordering (PO) system in place to enable the implementation of a 'no PO no payment' rule and no retrospective POs, to be monitored weekly.		01/04/2023	Trust has now joined the BSOL procurement collaborative
2	Ensure Oracle approvals are actioned in a timely manner to ensure late payment interest is avoided and BPPC target is achieved.		Ongoing	Trust received letter from Julian Kelly re continued over achievement on BPPC targets
2	Review all areas for non-committed spend with a view to reduction/removal		Ongoing	Through investment oversight group
2	Ensure all contracts subject to scrutiny and penalty clauses are actioned as appropriate.		01/04/2023	Trust has now joined the BSOL procurement collaborative
2	Ensure all contracts are subject to market testing/tendering processes		01/04/2023	Trust has now joined the BSOL procurement collaborative
2	All requests for the use of consultancy services to be reviewed and approved by the Director of Finance and subject to national NHSE rules.		01/04/2023	
2	Implementation and Enforcement of Trust Reqs Policy. Booking processes to be followed and logged in all cases.			Not relevant
2	Acute medicines formulary group to look at 'influenceable' prescribing on high cost drugs and adopt a system-level consistency on these specific areas identified. The benefit of bringing hospitals together is that clinical peer challenge is the most effective way of having these discussions, and we can be confident that we do not have variation by provider for our patients.			Not relevant
2	Procurement - Category management opportunities to reduce unwarranted usage and supply costs. A significant portion of in-system contracting is with the same provider.		Ongoing	Working with BSOL Procurement collaborative to manage all spend - they will be key part of investment oversight group
2	Working with acute pathology services to identify unwarranted variation in GP pathology requests, clarify the clinical order sets based on the evidence base, and work with primary care to address this variation. The aim is to reduce low value testing to reduce pathology costs to the acutes / system			Not relevant
2	System led review of s75 and Better Care Fund.			System to respond
2	Drug expenditure reviews being completed			Work with Director of Pharmacy to explore opportunities - in particular Aug-23 national queries around Paliperidone implemented

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
3	Income			
	Ensure that all income due is identified early and invoiced immediately. Ensure all evidence available to support recovery of funds to ensure payment. Ensure all debts are subject to proactive collection processes		Ongoing	
	Review income contracts with commissioners to highlight any opportunities to maximise income and to reduce penalties. Ensure all activity is captured and coded to ensure full recovery of ERF		01/04/2023	Focus now on working with provider collaboratives in particular to explore opportunities for income
	Ensure all other income, such as car parking has been reinstated to the levels in the plan		22/23	
	Ensure maximisation of invoicing for Trust owned sites occupied by other organisations.		Ongoing	Not relevant
4	Other			
	Financial Improvement Communications plan. Examples could include: - Implement a regular drum beat of comms about the financial improvement (e.g. as standard item within Divisional / Service team meetings, Exec videos, newsletters, staff feedback). - Establish regular targeted contact with key internal and external stakeholders inc. case for change and expected impacts. - Seek ways of empowering staff to develop and deliver savings and / or drive transformational change through the organisation.		Aug-23	Trustwide comms issued, new cost savings mailbox created for staff to email in with new ideas, proposal to use one of the trustwide listen up live sessions for finance
	Review income contracts with commissioners to highlight any opportunities to maximise income and to reduce penalties. Ensure all activity is captured and coded to ensure full recovery of ERF		01/04/2023	Focus now on working with provider collaboratives in particular to explore opportunities for income
	Ensure all other income, such as car parking has been reinstated to the levels in the plan		22/23	
	Ensure maximisation of invoicing for Trust owned sites occupied by other organisations.		Ongoing	Not relevant

Appendix 4 continued

NHSE Financial Controls status

Enhanced Control		B'ham and Solihull MH FT		
		Status RAG	Date Implemented	Local specification (if local circumstances dictate a nuanced or alternative approach)
5	Financial Governance			
	Review all budget holders and reset to elevate responsibility if required. Ensure that all those charged with budget management adhere to SFIs, Scheme of Delegation and internal budget responsibilities. Ensure rules are followed e.g. approval of exit packages and consultancy over £50k	Green	01/04/2023	
	<p>Budget holders:</p> <ul style="list-style-type: none"> • Ensure all budgets have physical sign off down to ward budget level • Monthly meetings take place between finance and budget holders • Budget holders have a PDP task regarding financial management and control • Ensure all have read and understood SFIs and Scheme of Delegation • Appropriate training (HFMA finance for managers training) • Enhanced expectations for senior Budget Holders including assessment of financial risk and holding to account for delivery 	Yellow	Ongoing	Many of these elements included in new Trust wide objective around finance training - licences purchased for HFMA on line training, and finance agreed will be part of new first manager training programme
	Extensive expenditure run rate analysis and targeted intervention.	Green	Jul-23	
	Review meeting structures to ensure that key financial data is presented and addressed appropriately, both in terms of regularity and depth of coverage.	Green	01/04/2023	
	Implement a 3 year financial planning cycle at Trust / system level	Red	Autumn 23	To be developed as part of national medium term financial plan and 24/25 planning round
	Ensure a process is in place for any investments over the agreed double / triple lock threshold.	Yellow	Ongoing	Process for investment oversight group being developed - business cases have been going via exec team so controls currently in place - plan to enhance
	Ensure there is a governance structure in place to guide and progress deficit control regime actions.	Green	01/04/2023	Trustwide sustainability board, reporting into Trust FPP
	Ensure the Financial Recovery Plan has sufficient visibility with employees at all levels in the Trust / ICB / system.	Green	Aug-23	Trust wide comms re financial position and new controls
	NHSE grip and control checklist review.	Green	01/04/2023	Continual review via Trustwide Sustainability Board / reviewed as part of opportunities for 23/24 savings programme
	Back to basics: agreed benchmarking exercise to determine organisations capacity to deliver CIP – Internal Audit, HFMA checklist, Board and Exec engagement, Team capacity.	Green	01/02/2023	Update to Audit Ctte re HFMA checklist - appreciated honest assessment
	Standardising the in-year reporting of underlying financial position.	Green	01/04/2023	
	Enhanced Role for the Finance Committee – changed ToR to allow for recommendations to ICB for remedial actions if necessary and increase the Trust NED representation.	Yellow	Sep-23	Will take new ICB Finance Recovery Board to Trust FPP during September 23. August 23 FPP received update on additional controls
	Regular self-assessment / RAG rating against an agreed matrix of controls covering financial governance and recovery	Yellow	Ongoing	Continual review via Trustwide Sustainability Board

Appendix 5

Budget Setting process



Budget Setting Process

Abstract: This document details the budget setting process for Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT).

Version Control

Version	Date	Author	Issued To	Comments
V 1.0	August 2022	Emma Ellis	Richard Sollars	Initial Draft
V 2.0	August 2023	Jonathan Scott	Emma Ellis	Update for new year

Approvals

This document requires the following approvals;

Name	Signature	Title	Date of Issue	Version
Richard Sollars		Deputy Director of Finance		
David Tomlinson		Executive Director of Finance		

Glossary of Acronyms and Terms

Acronyms	Description
AD	Associate Director
PMO	Programme Management Office
SRO	Senior Responsible Owner
CQE (IA)	Clinical, Quality and Equality (Impact Assessment)
FYE	Full Year Effect
FPP	Finance, Performance and Productivity (Committee meeting)
CIP	Cost Improvement Programme
Terms	Description
Pay	Relating to staff pay
Non Pay	Relating to goods and services
Income	Relating to money/Funding provided or generated for services
Recurrent	Occurring over ongoing years
Rollover	Startpoint for next financial year budget
Non-Recurrent	One off / in-year only
Expenditure	Amount of money spent by the Trust
Surplus	Amount of money made in excess of a target
Shortfall	Amount of money required to meet a target
Slippage	Relating to how much a timescale is delayed by/target is missed

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1. Purpose of this document

Every NHS organisation has a specific statutory duty to make 'proper arrangements for securing economy, efficiency and effectiveness in its use of resources'. To be able to meet this requirement, each organisation needs to plan the activities it will deliver and establish the associated resources. Financial planning and budgeting take place in two areas – revenue and capital, these are then brought together in an overall plan. To assess the financial position accurately, the budget must cover all expected sources of income and expenditure across the full range of activities for which the organisation is responsible and take account of other non-financial information, such as activity levels, savings schemes and staffing requirements.

The purpose of this document is to outline the financial planning process for Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT). The process aims to ensure that the financial plan is set in a robust way with due consideration of financial sustainability and that financial performance against plan can be managed, monitored, reported, reviewed and communicated to the Finance, Performance and Productivity Committee (FPP) and Trust Board to enable strategic decision making.

2. Scope

This process sets out the budget setting framework for all BSMHFT Operational and Corporate budgets. It excludes the impact of commissioning budgets for any provider collaboratives.

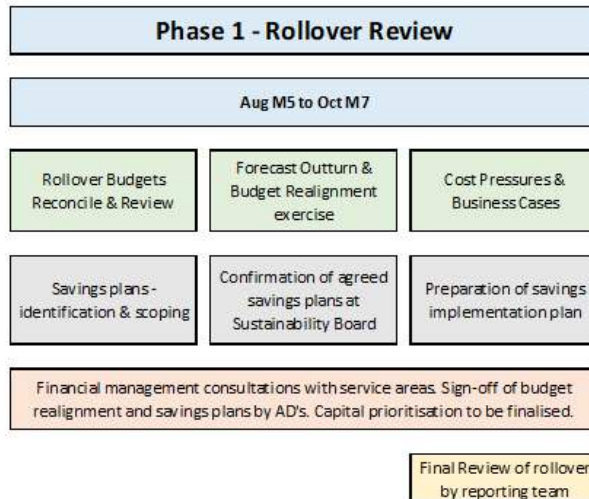
3. Process

The current NHS financial arrangements support a system-based approach to planning. NHS England (NHSE) issue system revenue and capital allocations and publish a timetable for system planning submission deadlines on an annual basis. Once system allocations have been received, it is then necessary for system partners to work collaboratively to develop an overall system financial plan within the allocated envelope. In order to meet the NHSE financial plan submission deadlines and the subsequent system internal planning timetable, it is essential that the BSMHFT plan requirements are clear so that we can effectively engage in system planning discussions. The Trust financial planning process outlined in this document aims to facilitate this and will be scheduled over three phases as follows (the timetable and planning requirements are subject to change in line with any changes in directive from NHSE):

- Phase 1 – Rollover Review
- Phase 2 – Draft Plans
- Phase 3 – Final Plans

3.1. Phase 1 – Rollover Review

This phase will be carried out between August and October. It will be led by financial management teams, working in partnership with Budget Managers, Budget Holders and Accountable Directors:



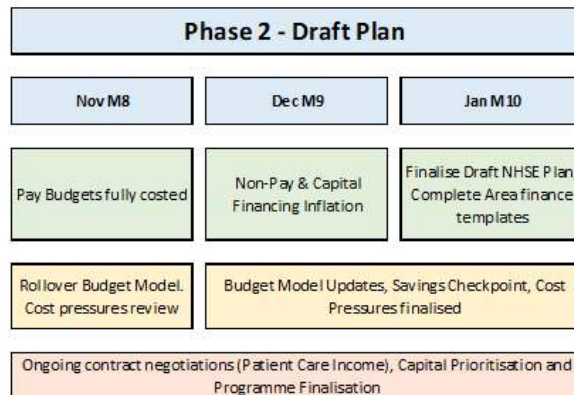
- **Rollover Budgets - Reconcile and Review** – this is an exercise to ensure that the next year (rollover) financial budgets accurately reflect any agreed adjustments that have been made in the current financial year.
- **Forecast Outturn exercise and budget realignment** – this is an exercise to review validity of rollover budgets on a line by line basis. Current financial forecast and trends plus service area knowledge of future plans, should be used to determine which budget lines spend will actually occur against in the next financial year. Income targets must also be reviewed and adjusted where appropriate. Income targets must not remain where there is no identified income stream, with an offsetting adjustment to the expenditure budget reflecting the relevant cost reduction. Income targets should be created where there is an expected income stream, with an appropriate expenditure budget.
The rollover budget should be realigned within the confines of the service area budget envelope and any changes should be signed off by the appropriate Associate Director. A final review and reconciliation of any budget realignment will be undertaken by the financial reporting team, with confirm and challenge meetings to take place as necessary.

- **Cost Pressures** – Operational and Corporate areas should identify any material cost pressures and document them using the Trust funding request approval process:
Cost pressures below £5k – funding to be identified from existing budgets as part of the budget setting process.
Cost pressures £5k - £50k - to be supported by a completed short form business case template.
Cost pressures above £50k to be supported by a completed standard business case template.
All cost pressure funding requests to be completed by the end of November, ready for review by the Executive Team at the beginning of December.
- **Business Cases** – A review of business cases approved in the current financial year and the Full Year Effect (FYE) of those not fully funded should be undertaken. Any planned business cases for the next financial year should be flagged by financial management teams to the financial reporting team.
- **Savings Plans** – In line with the Trust savings policy, service areas to develop recurrent savings plans for the next financial year for initial review at October Sustainability Board. Detailed assessments and CQEIA to be completed during November. Final recommendation and review of savings plans at November Sustainability Board. Once confirmation of recommended plans is communicated, service areas should develop plans to implement their savings schemes with delivery to be achieved from the beginning of the financial year (1 April).
- **Capital Prioritisation** - In line with the agreed annual cycle for capital planning and the capital prioritisation process, Capital Priority Grouping Owners to determine capital priorities for the next two financial years in preparation for review and sign off by December Capital Review Group:
Priority 1 – Risk Assessments – Owner: Executive Director responsible for Health & Safety (Director of Nursing)
Priority 2 – Statutory Standards and Backlog Maintenance (SSBM) – Owner: Executive Director responsible for compliance with statutory buildings standards (Director of Finance)
Priority 3 – Discretionary schemes – Owners: (A) Director of Operations (work on buildings) and (B) Director of Finance (technology requirements)

[No Title]

3.2. Phase 2 – Draft Plans

Following the realignment exercise to determine baseline budgets in phase 1, more detailed work will commence in Phase 2, to develop draft financial plans

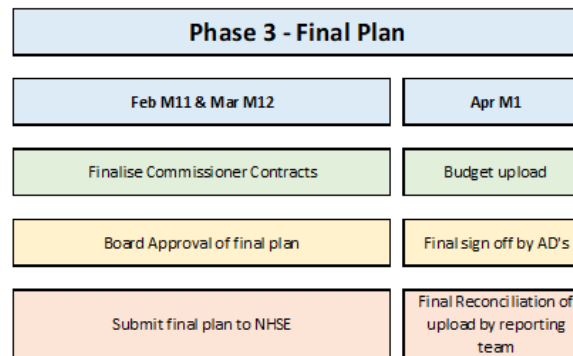


- Pay Budgets** – Service areas and financial management teams will need to ensure they have completed full establishment costings. The exercise is to include a full check and confirmation of budgeted whole time equivalents (wte) – there should be agreement on the authorised establishment including any proposed changes due to cost pressures or development/productivity plans. Work should be completed in collaboration with the workforce team. In line with recent previous years, pay budgets up to band 7 will be costed at midpoint, with all vacancies also costed at midpoint. The pay budgets must be set with due consideration of the outcome of the safer staffing/establishment review.
- Non Pay & Capital Financing Inflation** – to be centrally calculated by the financial reporting team following national tariff guidance and allocated to service area budgets as appropriate.
- Area Finance templates** – In January, all Operational and Corporate service areas to complete area finance templates (Budget Books) to summarise draft financial plans. This will provide a detailed bridge from rollover plan and underlying run rate to draft plan. This should help to ensure all areas have assessed material impacts on their financial plans in a consistent and comparable format. This will include budget realignments, cost pressures, service developments, savings plans and final business case assumptions. A brief financial narrative should accompany the templates to outline key issues, assumptions and risks to delivery of the draft financial plan. These should be discussed and signed off by the relevant AD or accountable officer.

- Savings checkpoint** – ADs to present progress on savings delivery plans at Sustainability Board. If there are any risks to delivery from 1 April, alternative plans should be identified to bridge any potential savings gap.
- Budget model update** – financial reporting team to update the master budget model to reflect agreed rollover budgets, pay and non pay inflation and other budgets updates as required in line with the draft plan. To ensure that the budget model is fully reconciled to service area draft plans.
- Cost Pressures** – As described in phase 1, it is expected that as far as possible, all known cost pressures will be identified by the end of November, ready for review by the Executive Team at the beginning of December. There will be a further review as necessary in January for any new cost pressures identified, allowing all cost pressure funding to be finalised by February ready for inclusion in the draft plan.
- Budget phasing** – as part of the budget model update above, a review of phasing should take place to ensure that budgets are profiled to reflect the expected pattern of monthly expenditure. Traditionally, budgets are set in 12ths but to allow more meaningful variance analysis, larger budgets should be profiled to reflect expected spend/income over the financial year as appropriate.
- Capital Planning** – Following the capital prioritisation in phase 1, Capital Review Group to sign off capital priorities for the next two financial years by December. In January, finance team to confirm agreed/expected available capital envelope for the next two financial years (this will be the BSMHFT share of the total system capital envelope that will be issued by NHSE). In February, proposed capital plan (based on prioritised schemes and available capital funding envelope) to be submitted to FPP and then Trust Board for approval of next year programme and approval in principle for year 2.

Appendix 5 continued Budget Setting process

3.3. Phase 3 – Final Plans



- **Finalise Income contracts** – it is anticipated that Commissioner contracts will be finalised in March and subsequently final adjustments to the plan will be confirmed once completed.
- **Final Plan approval by Board** – the final plan will be submitted to Finance, Performance and Productivity (FPP) Committee and then to Trust Board for approval prior to submission of the prescribed planning templates to NHSE.
- **Budget Upload** - Recurrent budgets and agreed funding for cost pressures and developments will be uploaded to financial ledgers in April, with a final reconciliation completed by the financial reporting team.
- **Budget sign off** - Associate Directors will be provided with letters confirming final budgets to be signed off in April.

4. Budget Setting Framework

Where possible, financial budgets should reflect the expenditure required to deliver the agreed level of activity. Budgets are an essential component of planning, control, coordination, communication and performance evaluation and the Board of Directors are responsible for formulating the Trust's financial strategy and approving the annual financial plan.

Teams will need to carefully plan to ensure:

- Key staffing resources are available to complete the process to the prescribed timetable.
- Systems and working papers are set up and organised in advance.
- All budget holders are effectively engaged through formal budget setting meetings which are minuted and retained for Internal Audit purposes.
- Key risks and issues are highlighted and best practice shared across all teams.
- Sign off of plans is achieved in a timely manner.

Assurance Reports

11. Quality, Patient Experience and
Safety Committee Report Linda Cullen,
Non-Executive Director

Committee Escalation and Assurance Report

Name of Committee	Quality, Patient Experience and Safety Committee
Report presented at	Council of Governors
Date of meeting	9 November 2023
Date(s) of Committee Meeting(s) reported	18 October 2023
Quoracy	Membership quorate: Y
Agenda	<p>The Committee considered an agenda which included the following items:</p> <ul style="list-style-type: none"> • CQC Update • Infection Prevention and Control Report • Patient Safety Incident Response Framework • PALS and Serious Incidents • Integrated Performance Report • Performance Framework • Learning from Clinical Audit • Freedom to Speak Up Report • Customer Relations Deep Dive
Alert:	<p>The Committee wished to alert the Board of Directors to the following key areas:</p> <ul style="list-style-type: none"> • Changes in recommendations from authorised engineers had delayed the reopening of Forward House; additional work was underway to ensure that the presence of legionella was under control. A full report had been commissioned into the timeline, interventions and management actions required. The Committee would receive a consolidated summary of the report for additional assurance. • The arrangements for the Mental Health Act Committee were debated and a formal proposal would be discussed at November's meeting, with a recommendation to be made to Board of Directors.
Assure:	<p>The Committee was assured on the following key areas:</p> <ul style="list-style-type: none"> • Clear plans were in place to implement the Patient Safety Incidents Response Framework (PSIRF) from 1 November. The Committee received and approved the Patient Safety Incident Response Plan submission to NHS England. • New quality metrics were proposed; a streamlined approach would be implemented to align with regular reporting through the Integrated Performance Report; a broader range of metrics would be measured through divisional deep dives. • A comprehensive review of the Customer Relations team was received, highlighting challenges and plans in place to address historical issues. The Committee was assured that patient safety

	indicators were closely monitored whilst actions to improve performance were implemented.	
Advise:	The Committee was advised of the plans to refine CQC reporting. This would include a revised template which would detail actions and outcomes to provide a higher level of assurance.	
Board Assurance Framework	The risk score for <i>BAF02/QPES</i> was discussed and agreed to increase from 12 to 16. This was due to identified gaps with central oversight of Mental Health Act compliance risks.	
	New risks identified: no additional risks were identified.	
Report compiled by:	Kat Cleverley Company Secretary	Minutes available from: Kat Cleverley, Company Secretary

12. Finance, Performance and
Productivity Committee Report Bal Claire,
Non-Executive Director

Committee Escalation and Assurance Report

Name of Committee	Report of the Finance, Performance and Productivity Committee
Report presented at	Council of Governors
Date of meeting	9 November 2023
Date(s) of Committee Meeting(s) reported	18 October 2023
Quoracy	Membership quorate: Y
Agenda	<p>The Committee considered an agenda which included the following items:</p> <ul style="list-style-type: none"> • Integrated Performance Report • Finance Report • Business Development and Partnerships Report • Sustainability Strategy Progress Report • Clinical Services Strategy Progress Report
Alert:	<p>The Committee wished to alert the Board of Directors to the following areas of performance and financial sustainability:</p> <ul style="list-style-type: none"> • Despite the Trust's efforts around increasing WTE levels, temporary staffing spend continued to increase, with a forecast £46m spend for 2023/24. • Out of area placements remained a key challenge, with significant expenditure of £9.5m year-to-date highlighted. • The Month 6 financial position showed a deficit of £497k, which was adverse to the breakeven plan. The forecast breakeven position would be achieved through non-current savings and benefits, however significant transformational change was needed for 24/25. • Metrics for the Integrated Performance Report would be reviewed, with the intention to streamline and reformat the report for greater clarity. • Given the progress in H1, the known internal/external forces at play and the ongoing financial challenges for the remaining H2 and 24/25, the Committee challenged the executive to develop an integrated transformation agenda which underpinned the Trust's strategy to financial sustainability. This optic will be reviewed at the November committee meeting, in line with the commencement of the 24/25 budget setting process.
Assure:	<p>The Committee was assured on the following areas of performance and financial sustainability:</p> <ul style="list-style-type: none"> • Although significant challenges remained, the Committee was encouraged by the transformational approach that was being taken with quality improvement methodology; this would contribute

	<p>towards a robust financial strategy for future years. Progress against planning and budget setting for 24/25 would be received each month for continued monitoring and assurance.</p> <ul style="list-style-type: none"> • The Committee was encouraged by the progress made in specific area of the Trust’s performance and the intervention plans that have been developed and implemented. • The Committee received an update on business development and partnerships, noting that the financial implications of bids and tenders would be reviewed to ensure clear timescales and achievability. • An update on Sustainability and Clinical Services strategic priorities was received, with progress and impact reports due to be received in November for discussion at Board of Directors in December. 	
Advise:	The Committee was advised of recommendations received through an audit report into short-term financial recovery; these related to out of area reduction, agency reduction and corporate service transformation.	
Board Assurance Framework	The Committee discussed the need to integrate the BAF more clearly in agendas, noting particularly the frequency of Digital and Environment reviews.	
	New risks identified: no additional risks were identified.	
Report compiled by:	Bal Claire Deputy Chair	Minutes available from: Kat Cleverley, Company Secretary

13. People Committee Report Monica Shafaq, Non-Executive Director

Committee Escalation and Assurance Report

Name of Committee	People Committee
Report presented at	Council of Governors
Date of meeting	9 November 2023
Date(s) of Committee Meeting(s) reported	18 October 2023
Quoracy	Membership quorate: Y
Agenda	<p>The Committee considered an agenda which included the following items:</p> <ul style="list-style-type: none"> • Staff Story • Integrated Performance Report • Transforming our Culture and Staff Experience Report • Freedom to Speak Up Report • Public Sector Equality Duty Report • SafeCare and Check and Challenge Report
Alert:	<p>The Committee wished to alert the Board of Directors to the following key areas:</p> <ul style="list-style-type: none"> • Capacity issues within the Freedom to Speak Up Guardian team were raised; the inability to recruit support was having an increased impact on strategic focus and caseload management. • A gap had been identified around support for BAME staff who were raising concerns related to bullying and harassment. Additional work would be undertaken with the Learning and Development team to explore the best way to address the concerns. • Continued use of bank and agency staff remained a key risk for the organisation, with a significant challenge to achieving the vacancy target noted. Ongoing recruitment initiatives were in place, however general staff shortages and the scale of the challenge was acknowledged. • The Committee heard from the Birmingham Healthy Minds team and was inspired by the wellbeing activities that had been undertaken. The Committee considered the potential need for a budget to replicate these initiatives across the organisation, and noted that the Health and Wellbeing Group would be capturing learning to inform an improvement trajectory for the Trust.
Assurance:	<p>The Committee was assured that appraisal and fundamental training compliance had improved, and managers and colleagues continued to be supported.</p> <p>The Committee approved the publication of the Public Sector Equality Duty Report, and commended the work that was ongoing.</p>

Advise	<p>The Committee discussed plans to refine the Integrated Performance Report to ensure greater clarity and focus.</p> <p>The Committee was advised that the CQC were currently on site to review the Trust’s section 31 and 29a notices.</p>	
Board Assurance Framework	<p>The Committee discussed the need to integrate the BAF more clearly in agendas.</p>	
	<p>New risks identified: No additional risks were identified.</p>	
Report compiled by:	<p>Kat Cleverley Company Secretary</p>	Minutes available from: Kat Cleverley, Company Secretary

14. Audit Committee Report Winston
Weir, Non-Executive Director

Committee Escalation and Assurance Report

Name of Committee	Report of the Audit Committee
Report presented at	Council of Governors
Date of meeting	9 November 2023
Date(s) of Committee Meeting(s) reported	12 October 2023
Quoracy	Membership quorate: Y
Agenda	<p>The Committee considered an agenda which included the following items:</p> <ul style="list-style-type: none"> • Head of Internal Audit Opinion • Internal Audit Progress Report • Internal Audit Recommended Action Tracker • Options Appraisals for Additional Internal Audit Reviews • Counter Fraud Report • External Audit Report • Single Tender Waivers and Losses and Special Payments Report • Changes to Scheme of Reservation and Delegation • Board Assurance Framework • Commissioning Board Assurance Framework • SSL Board Assurance Framework • CQC Section 29a Notices
Alert:	<p>The Committee wished to alert the Board of Directors to the following:</p> <ul style="list-style-type: none"> • A deep dive into the secure patient transport contract was requested for additional assurance.
Assure:	<p>The Committee was assured on the following areas:</p> <ul style="list-style-type: none"> • A positive Head of Internal Audit Opinion was received, and the Committee was assured by the adequacy and effectiveness of internal controls. Additional improvements were identified to enhance the risk management framework, including the Board Assurance Framework, and governance arrangements for the Provider Collaborative. Both of these were developing areas for the Trust. • The Trust Board Assurance Framework, Commissioning Board Assurance Framework, and SSL Board Assurance Framework were received and assurance taken from the process of risk management and escalation. • The Counter Fraud Report highlighted positive, proactive action taken by the Trust with regards to scam alerts. The Conflicts of Interest exercise also highlighted good compliance across the organisation, although there were improvements to be made in relation to secondary employment and private practice declarations.

Advise:	<p>The Committee discussed an options appraisal and agreed the following additional internal audit reviews:</p> <ul style="list-style-type: none"> • Financial culture (which would be reviewed as part of the planned Key Financial Controls and CIP audits); • Clinical governance effectiveness (which would be reviewed alongside the internal work of the Clinical Governance Committee); • Delayed transfers and discharge planning arrangements. <p>Additional reviews into Reach Out Commissioning governance arrangements and Vacancy Controls would be deferred. The option to review Executive Capacity would be considered following further exploration with the CEO.</p>	
Risks identified	<p>The Committee reviewed and noted the highest scoring SSL, Commissioning and Provider risks.</p>	
Report compiled by:	<p>Kat Cleverley Company Secretary</p>	<p>Minutes available from: Kat Cleverley, Company Secretary</p>

15. Any other business

Close by 14.00

Date and Time of Next Meeting: Thursday
11 January 2024, 12.00-14.00