

MINUTES OF THE JOINT BOARD OF DIRECTORS AND COUNCIL OF GOVERNORS MEETING

9th September 2020

14:00 – 15:00

Microsoft Teams

Present	
Peter Horn (PH)	Trust Chair
Siobhan Melia (SM)	Chief Executive
Diarmaid Crean (DC)	Chief Digital and Technology Officer
Caroline Haynes (CH)	Director of Human Resources and Organisational Development
Mike Jennings (MJ)	Chief Financial Officer
Donna Lamb (DL)	Chief Nurse
Sara Lightowlers (SL)	Medical Director
Kate Pilcher (KP)	Chief Operating Officer
Maggie Ioannou (MI)	Non-Executive Director
Stephen Lightfoot (SLi)	Non-Executive Director
Janice Needham (JN)	Non-Executive Director
David Parfitt (DP)	Non-Executive Director
Elizabeth Woodman (EW)	Non-Executive Director
David McGill (DMG)	Lead and Public Governor
Martin Ensom (ME)	Deputy Lead and Public Governor
Ann Barlow (AB)	Appointed Governor
Tara Dean (TD)	Appointed Governor
Joy Dennis (JD)	Appointed Governor
Pennie Ford (PF)	Appointed Governor
Elaine Foster-Page (EFP)	Appointed Governor
Grainne Saunders (GS)	Appointed Governor
Janet Baah (JB)	Public Governor
Stella Benson (SB)	Public Governor
Lilian Bold (LB)	Public Governor
Christine Hearn (CH)	Public Governor
Richard Norrie (RN)	Public Governor
Martin Osment (MO)	Public Governor
Anne Walder (AW)	Public Governor
Ngaire Cox (NC)	Staff Governor
Anita Sturdey (AS)	Staff Governor
Griselda Wireko-Brobby (GWB)	Staff Governor
Darren Wells (DW)	Director, Grant Thornton UK LLP
Zoe Smith (ZS)	Trust Secretary
Paul Somerville (PS)	Deputy Trust Secretary
Kathryn Howell (KH)	Executive Assistant
Apologies	
Jacob Bayliss	Appointed Governor
Rob Persey	Appointed Governor

Carolyn Costello	Public Governor
Stan Pearce	Public Governor
Tanya Procter	Public Governor
Anne Walder	Public Governor
Jessica Poulton	Staff Governor
Emma Swarbrick	Staff Governor
1.	Welcome, apologies, declarations of interest
	<p>The Chair (Peter) welcomed everyone to the meeting and in particular welcomed Pennie Ford, Appointed Governor on behalf of Sussex Commissioners, as it was her first meeting. Peter thanked outgoing Appointed Governor Rachel Harrington for her contribution and support during the past two years. The Chair also confirmed the resignation of Ratnam Nadarajah, Public Governor for Crawley.</p> <p>The Chair welcomed Darren Wells from Grant Thornton who is to provide the auditor update on the Annual Report and Accounts 2019-20.</p> <p>Apologies are outlined on pages one and two in these minutes.</p> <p>No declarations of interest were declared for this meeting.</p>
2.	Minutes of the Previous Meeting 24 June 2020
	<p>The minutes of the previous meeting were agreed as a true and accurate record.</p> <p>All actions had been completed.</p>
3.	Matters Arising
	There were no matters arising.
4.	Annual Audit Letter – Annual Report and Accounts 2019-20
	<p>The Chair introduced Darren Wells, Director from Grant Thornton UK LLP to present this item.</p> <p>Darren said this was the first year that Grant Thornton had carried out the audit for the Trust. The primary purpose of the Annual Audit Letter is to ensure that the audit was accurate and was completed. It summarises the key findings for the audit and provides a value for money conclusion.</p> <p>There were two key audit matters that the report highlights that are to be noted:</p> <ul style="list-style-type: none"> • Improper revenue recognition. • Valuation of land and buildings. <p>Consideration of improper revenue recognition</p> <p>The Trust is facing significant external pressure to avoid budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures. Revenue streams of the Trust are principally derived from contracts that are agreed in advance at a fixed price. Due to additional activity provided by the Trust, its commissioners have confirmed their agreement to pay for this additional activity. Audit work did not identify any issues in respect of revenue recognition.</p>

Valuation of land and buildings

The Trust revalues its land and buildings every five years to ensure that the value in the financial statements is not materially different from the current value at the financial statements date. Management engaged the services of a valuer to estimate the value at 31 March 2020. The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions. The valuer declared a 'material uncertainty' in the valuation report issued. This is on the basis of uncertainties in markets caused by COVID-19. The audit challenged the valuer's assumptions, evaluated and documented the relevance and reasonableness of the valuer's findings, and their consistency with other audit evidence. The audit work did not identify any issues in respect of the valuation of property, plant and equipment.

Darren said there was excellent cooperation from the Trust's Finance team during the audit which was completed a week ahead of schedule during the COVID-19 pandemic.

In carrying out the Value for Money conclusion the auditor carried out a risk assessment to identify the risks to focus its work. There were no significant risks identified during the risk assessment and its detail was shared with the Audit Committee at its July meeting.

Darren confirmed:

- That the Trust has in place arrangements to take informed decisions.
- Demonstrates good corporate governance arrangements.
- Is financially stable.

Darren also stated that the Annual Audit Letter confirms:

- Independence of the external auditor Grant Thornton.
- That no non-audit work was carried out by Grant Thornton in the year.
- The fees and charges for carrying out the audit.

David Parfitt added a perspective from the Audit Committee, as its Chair. The Audit Committee discussed the revaluation of land and buildings, and the Trust as a going concern and concluded that the Trust remains a going concern. It also discussed the ongoing dispute with NHS Property Services (NHS PS) regarding a £8-£9 million contingent liability in the accounts which the Trust is resisting liability. Reasonable assurance from internal audit in due course is expected to confirm this liability to be written off by NHS PS.

Mike Jennings thanked Darren and the team for their professionalism and for conducting the audit process remotely during the pandemic, adapting to new ways of working. Mike highlighted the significant achievement of the Trust in delivering a £2.3 million surplus within a financially challenged system across Sussex and thanked all staff in their diligence in supporting its delivery.

Peter thanked Darren and invited questions.

Joy Dennis suggested the audit fee was low and asked Darren if the auditor

	<p>made a significant loss. Darren said it did not make a loss but did incur more time carrying out the audit due to logistics with more people working remotely during the pandemic.</p> <p>Tara Dean congratulated the Trust on delivering a surplus under the current circumstances which is no mean feat.</p> <p>The Annual Audit Letter was approved.</p>
5.	<p>Update from Governors</p> <p>Peter welcomed governors to provide their updates.</p> <p>David McGill said that he had met virtually with the Sussex Governors Network which is planning to next meet in spring 2021. All governors will be invited to attend and more information will be shared in due course. David said that he will also send a 'thank you' message to Ratnam on behalf of the Council of Governors.</p> <p>Grainne said that she had been welcomed in joining the Charitable Funds Committee as a member and said that the Wellbeing Fund where teams can apply for funding is a great use of funds. Ngaire added that she is liaising with Rosie Hemming, Community Fundraising Manager, to input into the fundraising strategy. Janice Needham said that Grainne and Ngaire are making valuable contributions to the Committee.</p> <p>Paul advised that this year's NHS Providers Governor Focus Conference is to be held virtually from 3rd to 5th November. An application was made to showcase and share the work and learning in relation to the recruitment of the Trust's new Council of Governors in early 2019. The application had been successful and Paul is working with NHS Providers to share this learning and good practice during the conference.</p> <p>There was no other business discussed at the meeting. The meeting closed at 14:40.</p>