

## Report from the Finance and Performance Committee 25 July & 29 August 2018

<b>Presented by:</b>	Pauline Vickers, Non-Executive Director	<b>Author:</b>	Jacqui Maurice, Head of Corporate Governance
<b>Previously considered by:</b>	Board of Directors on 13 September 2018		

Key points	Purpose:
1. This paper provides a brief summary of the key matters that were discussed at the meetings of the Finance and Performance Committee held on 25 July & 29 August 2018	To note
2. Attached at appendix 1 is the Finance & Performance Committee Annual Report	To note

Executive Summary:
<p>The following key matters were discussed at the meetings held in July 2018 and August 2018.</p> <p><b>1. Board Assurance Framework: Risk Appetite</b></p> <p>During July, the Committee focussed in detail on risk appetite and considered that it is prepared to accept ‘investments that provide potential returns and is prepared to invest in resources that deliver improvements in quality and patient safety’. The priority areas of focus for the Committee are seeking assurance around the delivery of the Bradford Improvement Programme (“BIP”) and the recovery of the correct level of income from the Commissioners.</p> <p><b>2. Bradford Improvement Programme</b></p> <p>The Committee is scrutinising the level of assurance and evidence available in relation to the data that supports the delivery of the BIP programme. The Committee has discussed in detail the issues that exist with regard to the accuracy of the data collected and how it is coded particularly with regard to the interpretation of that data by the Trust and the Commissioners. The consequence of this is the impact on the level of activity recorded and the level of income that can be recovered from the Commissioners. The Committee has requested the commission of an independent assurance report to support the Trust (and Commissioners) to reach a position where agreements are able to be confidently made with regard to income and activity. The report would be expected to cover:</p> <ul style="list-style-type: none"> <li>- data accuracy</li> <li>- the interpretation of data</li> <li>- Identification of key benchmarking information</li> </ul> <p><b>3. Finance</b></p> <p>The Committee is fully sighted on the risks that have been identified with regard to the delivery of the BIP and the potential impact on the current forecasts related to the cash position which is currently £6m behind plan.</p> <p><b>4. Performance</b></p> <p><u>Cancer 2 week waits:</u> The Committee is particularly sighted on performance with regard to the Cancer two week waits. The Committee received assurance from the Chief Operating Officer of the mitigations in place to support improvements and noted that the Department of Health</p>

Council of Governors: 16/10/18

Agenda Item: CGo.10.18.16

Intensive Support Team would be attending the Foundation Trust at the end of August to implement the IST audit model.

Elective Wait Lists: The Committee received an account of the visit from the Department of Health's Intensive Support Team and the work undertaken with regard to the elective wait lists which was described as positive and constructive. The Committee noted that the IST was impressed with the Trust's demand capacity modelling, use of the dashboard and activity trackers which have helped to drive improvements.

VTE: The Committee has noted that this is now back on track and noted the benefits of the data and information provided through EPR which have supported improvements.

## 5. Annual Report from the Finance and Performance Committee to the Board of Directors

The annual report was presented to the Board of Directors on 13 September 2018. Please find it attached at Appendix 1.

*The Council of Governors is asked to note the report.*

### Financial implications:

### Regulatory relevance:

### Monitor:

### Equality Impact / Implications:

**Is there likely to be any impact on any of the protected characteristics?** (Age, Disability, Gender, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Health Inequalities, Human Rights)

Yes ☐ No ☒

If yes, what is the mitigation against this?

### Strategic Objective:

Reference to Strategic Objective(s) this paper relates to

To deliver our financial plan and key performance targets

## **APPENDIX 1**

### **Finance and Performance Committee Annual Report 2017/18 to the Board of Directors**

#### **1. Introduction**

Good practice states that the Board of Directors (the Board) should review the performance of its Committees annually to determine if they have been effective, and whether further development work is required.

The period reported on is from 1 April 2017 to 31 March 2018

##### **1.1 Review of Committees**

In June 2017 the Board of Directors undertook a comprehensive review of its Board and Committee Structures to improve the effectiveness of the Board. The Board determined that the Performance Committee and the Finance and Investment Committee would merge to form the Finance and Performance Committee. The new Committee structure was implemented in September 2017.

##### **1.2 Scope of this Annual Report**

This annual report from the Finance and Performance Committee incorporates an outline of the activities of the Performance Committee and the Finance and Investment Committee which were in existence up to August 2017.

The report sets out how the Performance Committee, Finance and Investment Committee and the Finance and Performance Committee have each met their Terms of Reference and key priorities during the reporting period.

#### **2. Finance and Investment Committee (April 2017 to August 2017)**

##### **2.1 Responsibilities**

The Finance and Investment Committee was established in January 2016. The Committee maintained a detailed overview of the Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Trust.

The Committee provided assurance and, if necessary raised concerns or made recommendations to the Board of Directors. In fulfilling this purpose, the Committee sought assurance that patient safety was not compromised by any proposed recovery or action plan.

From April 2017 to August 2017 the duties of the Committee included:

- 2.1.1 Overseeing the development and maintenance of the Trust's medium and long term financial strategy
- 2.1.2 Overseeing the development and delivery of the Trust's annual plan and integrated business plan
- 2.1.3 Reviewing and monitoring financial plans and their link to operational performance

Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

- 2.1.4 Overseeing financial risk evaluation, measurement and management
- 2.1.5 Scrutiny and approval of business cases (within delegated limits)
- 2.1.6 Approval and oversight of the Capital Programme

In addition, the Committee received and reviewed those Board Assurance Framework risks allocated to it by the Board, monitored progress made in mitigating those risks, identified any areas where additional assurance was required and escalated assurance to the Board as agreed by the Committee.

## 2.2 Membership and attendance record

The Finance and Investment Committee met on a monthly basis and met five times during the reporting period.

Membership and attendance is recorded in the table below:

MEMBERS	26.4.17	31.5.17	28.6.17	26.7.17	30.8.17	TOTAL
Amjad Pervez (Chair)	✗	✓	✓	✓	✓	4 of 5
Pat Campbell	✓	✓	✓	✓	✓	5 of 5
Karen Dawber	✓	✗	✓	✓	✓	4 of 5
Cindy Fedell	✓	✓	✗	✓	✓	4 of 5
Bryan Gill	✓	✓	✓	✓	✓	5 of 5
John Holden	✓	✓	✗	✓	✓	4 of 5
Matthew Horner	✓	✓	✓	✓	✓	5 of 5
Clive Kay	✓	✗	✗	✓	✓	3 of 5
Donna Thompson	✓	✗	✗	✓	✓	3 of 5
Mohammed Iqbal	✗	✓	✗	✓	✓	3 of 5
James Walker	✓	✓	✗	✓	✓	4 of 5
David Munt	✓	✓	✓	✓	✓	5 of 5
Selina Ullah	✗	✗	✓	✗	✗	1 of 5
Pauline Vickers	✗	✓	✓	✓	✗	3 of 5
✓ = Attended	✗ = Apologies sent			Denotes period when not a member of the Committee		

*Committee meetings are also attended by the Trust Secretary.*

In order for the meeting to be quorate, there should be at least the Chair, four members and the Finance Director and/or Deputy Director of Finance (or Assistant Director of Finance) present.

## 2.3 Reporting requirements

Each month the Finance and Investment Committee received and reviewed reports on standard agenda items;

- 2.3.1 Finance report
- 2.3.2 New Hospital Wing Progress Report
- 2.3.3 Board Assurance Framework

Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

---

Additional items reviewed are listed below;

- 2.3.4 2017-18 Financial Plan
- 2.3.5 Five Year Capital Programme
- 2.3.6 Claims Annual Report
- 2.3.7 Contract Income
- 2.3.8 Year End Overseas Visitors Report
- 2.3.9 Reference Costs Methodology 2016-17
- 2.3.10 Financial Challenge 2017-18
- 2.3.11 Finance Improvement Plan Framework
- 2.3.12 Reference Costs Checklist
- 2.3.13 Year End Private Patient Report
- 2.3.14 2017-18 Five Year Forward Looking Capital Programme
- 2.3.15 Draft Improvement Plan Framework

After each meeting, the Committee reported to the next Board meeting by way of a summary report of key points discussed. Once the meeting minutes were agreed by the Committee, a copy was submitted to the subsequent Board meeting.

Minutes included a description of the business conducted, risks identified and key actions agreed. Issues and items that have been escalated to the Board covered:

- 2.3.16 Positive Financial position for the year ending 31 March 2017
- 2.3.17 2017/18 Financial Plan
- 2.3.18 2017/18 CIP Challenge
- 2.3.19 Board Assurance Framework
- 2.3.20 Forecast cash and liquidity position
- 2.3.21 Under-achievement of CIP and the timeliness of delivery
- 2.3.23 Quarter 1 Financial Position
- 2.3.24 Financial Improvement Plan
- 2.3.25 Financial Metrics
- 2.3.26 Cash and Liquidity
- 2.3.27 Framework for the Finance Improvement Plan
- 2.3.28 Five-year Capital Programme

## **2.4 Review of the Terms of Reference of the Finance and Investment Committee**

The Finance and Investment Committee Terms of Reference were reviewed in July 2017 by the Board as part of the review of the committees detailed in section 1.1. The Board of Directors approved the merger of the Finance and Investment Committee and the Performance Committee to become the Finance and Performance Committee.

## **2.5 Cycle of Business**

During its operation; the Finance and Investment Committee kept under review its own working arrangements and was mindful of the need to ensure that its remit fit appropriately with the other Committees of the Board of Directors as they were configured up to August 2017.

Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

---

## **2.6 Conclusion**

The Finance and Investment Committee took all reasonable steps to perform its duties as delegated by the Board and mandated in its Terms of Reference and in accordance with good governance arrangements.

## **3. Performance Committee (April 2017 to August 2017)**

### **3.1 Responsibilities**

The responsibility of the Performance Committee was to provide detailed scrutiny of performance matters in order to provide assurance and, if necessary, raise concerns or make recommendations to the Board of Directors. In fulfilling this purpose, the Committee was required, at all times, to seek assurance that patient safety and quality was not compromised by any proposed recovery or action plan.

From April 2017 to August 2017 the Performance Committee reviewed performance against:

- 3.1.1 All performance targets set by Monitor (Risk Assessment Framework);
- 3.1.2 Requirements set out in contracts with the Foundation Trust's Commissioners including Commissioning for Quality and Innovation Plans (CQUINS);
- 3.1.3 The Foundation Trust's Corporate Priorities; and
- 3.1.4 Legislative/regulatory requirements set by regulators and other bodies.

In addition, the Committee:

- 3.1.5 Considered the financial impact of performance matters;
- 3.1.6 Reviewed recovery plans;
- 3.1.7 Referred any issues it deemed necessary to the Finance and Investment Committee for more detailed consideration.

The Committee received and reviewed those Board Assurance Framework risks allocated to it by the Board, monitored progress made in mitigating those risks, identified any areas where additional assurance was required and escalated assurance to the Board as agreed by the Committee.

### **3.2 Membership and attendance record**

The Committee met on a monthly basis and met five times during the reporting period. Membership and attendance is recorded in the table overleaf.

Council of Governors: 16.10.18  
 Agenda Item: CGo.10.18.16

MEMBERS	26.4.17	31.5.17	28.6.17	26.7.17	30.8.17	TOTAL
Pauline Vickers (Chair)	✓	✓	✓	✓	✓	5 of 5
Pat Campbell	✓	✓	✓	✓	✓	5 of 5
Karen Dawber	✓	✗	✓	✓	✓	4 of 5
Cindy Fedell	✗	✓	✗	✓	✓	3 of 5
Bryan Gill	✓	✓	✓	✓	✓	5 of 5
John Holden	✓	✓	✓	✓	✓	5 of 5
Matthew Horner	✓	✓	✓	✓	✓	5 of 5
Clive Kay	✓	✓	✓	✓	✓	5 of 5
Donna Thompson	✓	✗	✗	✓	✓	3 of 5
Mohammed Iqbal	✗	✓	✗	✓	✓	3 of 5
James Walker	✓	✓	✗	✓	✓	4 of 5
David Munt	✓	✓	✓	✓	✓	5 of 5
Selina Ullah	✗	✗	✓	✗	✗	1 of 5
Amjad Pervez	✗	✓	✓	✓	✗	3 of 5
✓ = Attended	✗ = Apologies sent			Denotes period when not a member of the Committee		

*Committee meetings are also attended by the Trust Secretary and Head of Performance.*

In order for the meeting to be quorate, there should be at least the Chair and four members present.

### 3.3 Reporting Requirements

Each month the Committee received and reviewed reports on the following standard agenda items;

- 3.3.1 Performance and Productivity Report
- 3.3.2 Informatics Performance Report
- 3.3.3 EPR Report
- 3.3.4 Trust Improvement Committee Report
- 3.3.5 Board Assurance Framework

The Committee also reviewed in detail reports regarding;

- 3.3.6 Cancer Performance
- 3.3.7 VTE (Venous Thromboembolism) Risk Assessment
- 3.3.8 Electronic Patient Record (EPR) – High Risks including RTT
- 3.3.9 Referral to Treatment (RTT) Performance
- 3.3.10 Short Notice Clinic Cancellations
- 3.3.12 Risk Dashboard
- 3.3.13 Performance with regard to the Emergency Care Standard

After each meeting, the Committee reported to the next Board meeting by way of a summary report of key points discussed. Once the meeting minutes were agreed by the Committee, a copy was



Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

---

submitted to the subsequent Board meeting. Minutes included a description of the business conducted, risks identified and key actions agreed. Issues that have been escalated to the Board covered:

- 3.3.14 Cancer Access Standards
- 3.3.15 Emergency Care Standards
- 3.3.16 (RTT) 52 week breach
- 3.3.17 Unplanned Pathology System outage
- 3.3.18 Referral to Treatment (RTT) Improvement Plan
- 3.3.19 DMO1 Cardiac CT Capacity Plan
- 3.3.21 EPR (from September 2017, responsibility for the review of EPR moved to the Major Projects Committee)
- 3.3.22 Short Notice Clinic Cancellations
- 3.3.23 Ambulance Handovers
- 3.3.24 Aligning dashboards against targets, recovery plans and trajectories

### **3.4 Review of the Terms of Reference of the Performance Committee**

The Performance Committee Terms of Reference were reviewed in July 2017 by the Board as part of the review of the committees detailed in section 1.1. The Board of Directors approved the merger of the Finance and Investment Committee and the Performance Committee to become the Finance and Performance Committee.

### **3.5 Cycle of Business**

During its operation; the Performance Committee kept under review its own working arrangements and was mindful of the need to ensure that its remit fit appropriately with the other Committees of the Board of Directors as they were configured up to August 2017.

### **3.6 Conclusion**

The Performance Committee took all reasonable steps to perform its duties as delegated by the Board and mandated in its Terms of Reference and in accordance with good governance arrangements.

## **4. Finance and Performance Committee (September 2017 to March 2018)**

### **4.1 Responsibilities**

The purpose of the Finance and Performance Committee is two-fold:

- 4.1.1 To maintain a detailed overview of the Foundation Trust's assets and resources in relation to the achievement of financial targets, business objectives and the financial stability of the Foundation Trust.
- 4.1.2 To provide detailed scrutiny of performance matters.

The Finance and Performance Committee will provide assurance and, if necessary raise concerns or make recommendations to the Board of Directors. In fulfilling this purpose, the Finance and Performance Committee will at all times seek assurance that patient safety is not compromised by any proposed recovery or action plan.



Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

From September 2017 to March 2018 the Finance and Performance Committee carried out its duties as laid out in its Terms of Reference. These duties include:

- 4.1.3 Overseeing the development and maintenance of the Foundation Trust's medium and long term financial strategy
- 4.1.4 Overseeing the development and delivery of the Foundation Trust's annual plan and integrated business plan
- 4.1.5 Reviewing and monitoring financial plans and their link to operational performance
- 4.1.6 Overseeing financial risk evaluation, measurement and management
- 4.1.7 Scrutiny and approval of business cases (within delegated limits)
- 4.1.8 Approval and oversight of the Capital Programme
- 4.1.9 Reviewing the performance of the Foundation Trust in achieving National Standards,
- 4.1.10 Contractual Indicators (National and Local) and Trust-defined indicators
- 4.1.11 Receive, consider and approve the annual reference cost submission ensuring appropriate application of costing methodologies
- 4.1.12 To approve and keep under review the Foundation Trust's investment policy in relation to treasury management (to include cash investments and all other elements of working capital).
- 4.1.13 Receive and review the strategic objectives allocated to it by the Board of Directors identifying any areas where additional assurance is required.
- 4.1.14 Receive and review those Board Assurance Framework risks allocated to the Committee by the Board, monitor progress made in mitigating those risks, identify any areas where additional assurance is required and escalate assurance to the Board of Directors as agreed by the Committee.

## 4.2 Membership and attendance record

The Finance and Performance Committee meets on a monthly basis and met five times during the reporting period.

Membership and attendance is recorded in the table below.

MEMBERS	27.9.17	25.10.17	29.11.17	20.12.17	31.1.18	28.2.18	28.3.18	TOTAL
Pauline Vickers (Chair)	✓	✓	✓	✓	✓	✓	✓	7 of 7
Karen Dawber	X	X	X	✓	X	✓	X	2 of 7
Cindy Fedell	✓	✓	✓	✓	✓	✓	✓	7 of 7
Matthew Horner	✓	✓	✓	✓	✓	X	✓	6 of 7
Donna Thompson	✓	x	✓	✓	✓	✓	X	5 of 7
Mohammed Iqbal	X	✓	X	X	✓			2 of 5
Trevor Higgins	✓	✓	✓	✓	✓	✓	✓	7 of 7
Jon Prashar						✓	✓	2 of 2
Laura Stroud				✓	✓	✓	✓	4 of 4
David Munt	✓	✓						2 of 2

✓ = Attended	X = Apologies sent
	Denotes period when not a member of the Committee

*Committee meetings are also attended by the Trust Secretary and Head of Performance*

Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

---

In order for the meeting to be quorate, there should be two Non-Executive Directors and two Executive Directors (or their nominated Deputies). Quoracy requires that the Director of Finance or Deputy Director of Finance is present.

### **4.3 Reporting Requirements**

Each month the Committee received and reviewed reports on the following standard agenda items;

- 4.3.1 Finance Report
- 4.3.2 Board Assurance Framework
- 4.3.3 Performance Report
- 4.3.4 Informatics Performance Report
- 4.3.5 Trust Improvement Committee Report
- 4.3.6 Financial Improvement Plan
- 4.3.7 Finance & Performance Committee Dashboard

The Committee also reviewed;

- 4.3.8 EPR go-live update
- 4.3.9 BTH 082 – Outsourcing Dispensing of Out-Patient Medication
- 4.3.10 Integrated Quality & Performance Dashboard – (Performance and access)
- 4.3.11 Integrated Quality & Performance Dashboard – (broader themes than individual deep dives)
- 4.3.12 Approval Process for New Consultant Appointments
- 4.3.13 RTT Recovery Plan
- 4.3.14 GE Finnamore Improvement Programme Update
- 4.3.15 Risk Appetite
- 4.3.16 Finance & Performance Committee Dashboard and Committee Effectiveness
- 4.3.17 Medical Pathways Review by NHSI
- 4.3.18 Integrated Quality & Performance Dashboard: Night time transfers
- 4.3.19 Contract update 2018/19
- 4.3.20 2018/19 Financial Plan
- 4.3.21 Post EPR Outpatients Productivity
- 4.3.22 Cancer Deep Dive Presentation
- 4.3.23 Contract Update 2018/19
- 4.3.24 Emergency Care Standard Deep Dive Presentation
- 4.3.25 Financial Plan 2017/18
- 4.3.26 Capital Budget Setting Report
- 4.3.27 Recovery Plans for 2 week Cancer Targets
- 4.3.28 Ambulance Handover Standard
- 4.3.29 Finance & Performance Committee business workplan 2018/19

After each meeting, the Committee reports to the next Board meeting by way of a summary report of key points discussed. Once the meeting minutes have been agreed by the Committee, a copy is submitted to the subsequent Board meeting. Minutes included a description of the business conducted, risks identified and key actions agreed. Issues that have been escalated to the Board include:

- 4.3.31 Framework for the Finance Improvement Plan
- 4.3.32 Five year Capital Programme

Council of Governors: 16.10.18  
Agenda Item: CGo.10.18.16

---

- 4.3.33 Performance with regard to RTT, 32 and 62 day cancer waits, diagnostic waits, AED, and VTE
- 4.3.34 EPR go-live
- 4.3.35 Cancer Services Recovery Plan
- 4.3.36 New Finance and Performance Committee Dashboard
- 4.3.37 Trust Improvement Plan
- 4.3.38 Cancer Services Recovery Plan
- 4.3.39 Winter Planning
- 4.3.40 2018/19 Financial Plan
- 4.3.41 Decision regarding formal acceptance of NHS Improvement's Control Total

#### **4.4 Review of the Terms of Reference of the Committee**

The Finance and Performance Committee Terms of Reference were approved by the Board in July 2017. The terms of reference are reviewed annually and recommendations for any changes will be submitted to the Board of Directors for approval.

#### **4.5 Cycle of Business**

The Finance and Performance Committee keeps under review its own working arrangements and is mindful of the need to ensure that its remit fits appropriately with the other Committees of the Board of Directors.

#### **4.6 Conclusion**

The Finance and Performance Committee believes it has taken all reasonable steps to perform its duties as delegated by the Board and mandated in its Terms of Reference and in accordance with good governance arrangements.

**Pauline Vickers**  
**Non-Executive Director and Chair of the Finance and Performance Committee**

**August 2018**