

Meeting Title	Board of Directors		
Date	09/05/2019	Agenda item	Bo.5.19.15

A report from the Chair of the Finance and Performance Committee Finance

Presented by	Trevor Higgins, Non-Executive Director
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Lead Directors	Matthew Horner, Director of Finance
Purpose of the paper	This paper is to provide the Board of Directors with an overview of the work of the Finance and Performance Committee in March and April 2019.
Key control	This paper is a key control for the strategic objective to deliver our financial plan and our key performance indicators
Action required	To note

Background

The purpose of the Finance and Performance Committee is

- to maintain 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
- to provide detailed scrutiny of performance matters

and if necessary, raise concerns or make recommendations to the Board of Directors.

The Finance and Performance Committee uses the assurance presented throughout its meeting, which is aligned to key controls for identified risks associated with delivering the Trust's strategic objective

- To deliver our financial plan and our key performance indicators

in combination with a review of the relevant risks on the strategic risk register to review the Trust's Board Assurance Framework. It was agreed that for the Board Assurance Framework the strategic objective is split into two (2a: to deliver our financial plan and 2b: to deliver our key performance indicators. Following each meeting consensus is achieved in relation to the assurance level and associated statement. This is presented in the Board Assurance Framework.

Key Matters Discussed

1. Strategic Objective 2a: To deliver our financial plan

1.1 Risk: Strategic Risks relevant to the Committee

The Committee reviewed strategic risks related to the above strategic objective, for which it has an assuring role, at both meetings, and was assured that the mitigation described was proportionate and appropriate.

1.2 Strategy: Finance Dashboard

The Committee reviewed the Finance Dashboard in the context of the information contained in the report of the Finance and Performance Overview Committee

1.3 Report of the Finance and Performance Overview Committee

The report from the Finance and Performance Overview Committee was used by the Committee to contextualise the strategic risks related to delivery of the financial plan, the data presented in the Finance dashboard and the Finance Report, all received by the Committee at both meetings.

In relation to the delivery of the Financial plan the Committee noted that there continued to be a number of dependencies, including risk associated with the realisation of financial benefits of the establishment of the Wholly Owned Subsidiary and the MEAV, and that the most likely scenario was a year end deficit in line with control total. The Committee explored the associated risks of a failure to deliver the control total in year and the steps that were being taken to mitigate these risks. As a result of these discussions an Extra-ordinary closed meeting of the Board of Directors was held on the 11th April, and a further meeting held under the Board of Director's Scheme of Delegation on the 15th April 2019 to support decision making in relation to the

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year- end position.

1.4 Strategy: The Budgetary Control Framework

The Committee received a summary of the Budgetary Control Framework. The summary included a description of the draft 2019/20 internal budget setting summary and the outline Budgetary Control Framework. The Committee noted the principles within the framework and its application to the business of the Trust, including the timescales for finalisation of activity, income and expenditure budgets, communication of efficiency targets, finalisation of the framework, the revised business case process. The Committee acknowledged that there may be required changes to the Standard Financial Instructions and Scheme of Delegation to remain consistent with the new approach, but that consistency with the Accountability Framework would be maintained in all financial control documents.

Recommendation

The Board of Directors is requested to note the work of the Finance and Performance Committee in scrutinising the Foundation Trust's financial matters: maintaining 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 and providing detailed scrutiny of performance matters.

It is also asked to note the assurance level and statement agreed by the Committee which is provided on the Board Assurance Framework.

Strategic Objective 2a: To deliver our financial plan

Limited Confidence: *The Income & Expenditure (I&E) financial plan is being delivered as at month 11 (February 2019). This is against a planned year to date pre-PSF deficit of £7.7m. The annual control total pre-PSF deficit of £7.5m requires a £0.2m surplus to be delivered in Month 12. The Trust has introduced a range of recovery measures to improve the underlying run rate and subsequently forecast delivery of the annual control total, albeit a number of material risks remain. The level of risk to this forecast has increased in Month 11 and as a consequence year end control total delivery cannot be certain until the Month 12 position is finalised. To protect the cash and liquidity position, measures have been taken to safely reduce the capital expenditure plans in 2018/19.*

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients			g			
To deliver our financial plan and key performance targets			g			
To be in the top 20% of NHS employers			g			
To be a continually learning organisation				g		
To collaborate effectively with local and regional partners					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors						
Agreed General risk appetite (G)						

Risk Implications (see section 4 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	▪	
Quality implications	▪	

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Resource implications	▪	
Legal/regulatory implications	▪	
Diversity and Inclusion implications		▪

Regulation, Legislation and Compliance relevance
NHS Improvement: Risk assessment framework, quality governance framework, code of governance , annual reporting manual
Care Quality Commission Domain: <i>Safe, caring, effective, responsive, well led</i>
Care Quality Commission Fundamental Standard:
Other (please state):

Relevance to other Board of Director's Committee:					
Workforce	Quality	Finance & Performance	Partnerships	Major Projects	Other (please state)
	▪				