

Meeting Title	Board of Directors		
Date	7.11.19	Agenda item	Bo.11.19.17

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

Presented by	Julie Lawreniuk, Non-Executive Director
Author	Tanya Claridge, Director of Governance and Corporate Affairs
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 September and October 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

This is considered 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 subsequently 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 relating to the above strategic objective during the course of the meetings for which it has an assuring role, and was assured that the systems and controls in place and planned provide proportionate and appropriate mitigation, but recognising that material risk remains. The Committee discussed in detail the risk appetite and confirmed the recommendation to the Board to change to Open from Cautious at its meeting in November 2019.

1.2 Strategy: Finance Dashboard

The Committee reviewed the Finance Dashboard in the context of the information contained within the Finance Report. In particular the Committee considered the ongoing risk associated with the delivery of the control total and the internal opportunities in place including additional review and scrutiny of Care Group recovery plans and other internal and external opportunities.

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1.3 Key Control: Finance Report.

The Committee considered the finance report and in particular discussed the ongoing risk associated with the delivery of the control total and identification and management of the internal opportunities in place including the recovery planning process underway across both the Care Groups and Central/Corporate Department.. The Committee also challenged the executive oversight of the delivery of Cost Improvement Plans, and were confident that there was appropriate and proportionate rigour. The Committee noted that the recovery trajectories would be reviewed at the fortnightly Care Group Senior Leadership Team meetings. In addition the Committee considered the system wide interactions, both in terms of the identification of opportunities, but also the impact of system wide initiatives on local cost improvement plans.

1.4 Key Control: Quarter 2 Contract Income Position

Whilst acknowledging the fixed income contract value, meaning that there is no variance from agreed quantum, the Committee identified and considered key issues relating to 'Out of Bradford' commissioners. The Committee were assured that the issues identified relating to specific Clinical Business Units would be addressed as part of the recovery planning process. The Committee requested that the Contract Income report is produced on a quarterly basis and to include an update on the 'Out of Bradford' position.

1.5 Key Control: Long Term Plan

The Committee reviewed the Strategic Long Term Plan and considered the assurance available that the 'asks' within it were plausible and deliverable. In particular they considered key assumptions in relation to income from local commissioners, the deliverability of Cost Improvement Plans, and the reliance on local and system wide initiatives to support delivery of the long term plan. The Committee recognised the tight timescales but assured on the process used to generate the Long Term Plan, but recognised that work is required between now and April 2020 to improve the confidence in the deliverability of the plan, and also to assess the validity and contribution of system wide opportunities and improvement plans (including WYAAT schemes and the Airedale Collaboration).

The Committee recommended that the Board of Directors accepted the Long Term Plan, acknowledging the requirement for further information and analysis to improve the level of confidence in relation to its deliverability prior to April 2020.

1.6 Strategy: Carter Metrics

The Committee received an overall summary of the Carter metrics and Model Hospital comparators. The Committee noted the alignment of the content of this report to the requirement to develop confidence in relation to the delivery of the long term plan. It also requested that an overall opportunity quantum be quantified.

1.7 Key Control: Joint Venture Update

The Committee received an update in relation to the Joint Venture Pathology service. The update was also provided to Major Projects Committee. The Committee was assured in relation to the progress of the Joint Venture as planned. The Committee were informed about the changes to the Joint Venture in relation to the addition of Harrogate, and also were assured about the process and work being undertaken across WYAAT in relation to the future configuration of pathology services in West Yorkshire. The Committee will continue to receive reports by exception from the Joint Venture Board as per its terms of reference.

1.8 Key control: Losses & Special Payment Policy

The Committee reviewed and approved the Losses and Special Payment Policy.

2. Governance

2.1 Committee Governance: Committee Annual Report

The Committee reviewed its Annual Report and approved its submission to the Board of Directors in

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2.1 Corporate Governance: Use of Resources Submission

The Committee reviewed the proposed draft Use of Resources Submission required by NHS Improvement

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.

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	
Explanation of variance from Board of Directors Agreed General risk appetite (G)	Risk (*)					

Benchmarking implications	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk Implications	Yes	No
Strategic Risk register and/or Board Assurance Framework Amendments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quality implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Resource implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Diversity and Inclusion implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulation, Legislation and Compliance relevance

NHS Improvement: (please tick those that are relevant)

☒ Risk Assessment Framework ☒ Quality Governance Framework

Code of Governance	Annual Reporting Manual
Care Quality Commission Domain: Well Led	
Care Quality Commission Fundamental Standard: Governance	
NHS Improvement Effective Use of Resources: All	
Other (please state):	

[illegible]