

Meeting Title	Board of Directors		
Date	12.3.20	Agenda item	Bo.3.20.12

A report from the Finance and Performance Committee

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Lead Directors	Sandra Shannon, Chief Operating Officer 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.
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

		Level of assurance
1. Strategic risk and Key Performance Indicators		
1.1	Risk: Strategic Risks relevant to the Committee	Level 1 Operational
	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 considered whether the systems and controls in place and planned provided proportionate and appropriate mitigation, the Committee considered significant challenges to performance that remained and that there was a continued risk related to the delivery of the control total.	
1.2	Finance and Performance Dashboard	Level 1 Operational
	The Committee reviewed the Finance and Performance Dashboard in the context of the information contained within the relevant detailed reports.	

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2. Strategic Objective 2a: To deliver our financial plan		
2.1	Key Control: Finance Report	Level 1 Operational
	<p>The Committee considered the finance report and in particular discussed the</p> <ul style="list-style-type: none"> • Delivery of the Cost Improvement Plan: the Committees attention was drawn to the Trust not achieving recurrent savings, which was similar to previous years. The Committee was informed that the Trust was struggling to transform services. So technical adjustments are again supporting the year end position rather than transformational/sustainable change • Level of confidence in relation to delivery of the control total • Identified underlying concern in relation to reliance on non-recurrent savings and not demonstrating material run rate improvements, and discussed the impact on this in future years • The identification and management of the internal opportunities for cost improvement, including the recovery planning process underway across both the Care Groups and Central/Corporate Departments but was informed that there was not full assurance that the Trust will deliver • The likely underspend on the capital plan by circa £2m • The £1.5m capital received to spend to improve flow during 19/20 • The impact of the inclusion of the WOS in financial position and acknowledged this was mitigated with regional support • The impact of the current position on Use of Resources rating, with a current overall rating of 3 as the Trust is likely to be off plan by £6m at year end. • The £18.7m capital programme-expected capital control programme • The £10m of public dividend capital-urgent and emergency care, diagnostics, digital. • Concern about Board being sighted on the operational financial plan prior to submission of the draft plan. • Next year's financial arrangements in relation to Airedale and Bradford as a system, including a discussion about what decisions are made at Provider level in relation to the system wide plan. • The restructure undertaken to focus on a smaller number of conditions-frailty, respiratory, diabetes, outpatient transformation, healthy hearts, CYP mental health and received a summary of how these programmes were identified. The Committee requested that it should receive reports in relation to these programmes at the discretion of the executive leads • The rise in non-elective demand experienced by the Trust, within a system designed for throughput (e.g. elective services) and the perceived lack of challenge within primary care to 'do things differently' and help manage demand 	
2.2	Key Control: 20/21 Plan	Level 1 Operational
	<p>The Committee noted</p> <ul style="list-style-type: none"> • the draft nature of the figures presented in the report. • the expected £16.7m CIP target and the current shortfall in developed plans in place to address this target. • SLT's agreement of the need for budget holders to reinstate the circa £8.4m expected pay underspend vacancy factor budgets in a targeted way. • SLT's consideration of the options for CIP delivery set out in the paper and the ongoing work to develop a revised governance structure to manage delivery. • SLT's plans to consider how the gap can be bridged via additional ideas and engagement in the process from across the Trust and particularly from clinical leaders within CBUs. 	
2.3	Key Control: Contract Update	Level 1 Operational

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	The Committee noted: <ul style="list-style-type: none">That in 2019/20 there had been reduced patient activity in relation to the plan, but with nil impact on finance as operating to a fixed contract, but acknowledged the impact of this on performance standardsThe reasons for reduction in activity and were provided with information in relation to recovery plan.	
3. Strategic Objective 2b: To deliver our performance targets		
3.1	Key Control: Informatics Performance Report.	Level 1 Operational
	The Committee noted the informatics performance report, with particular discussion in relation to <ul style="list-style-type: none">Performance largely in line with metricsContinuing improvement and maturity work with the Trust benchmarking well in Model Hospital.The highest current risk relating to aged equipment.	
3.2	Key Control: Performance Report	Level 1 Operational
	The Committee considered the performance report which provides an overview of performance against several key national and contractual indicators and in particular discussed <ul style="list-style-type: none">the ongoing risk associated with the delivery of the Emergency Care Standard.Improvement in ECS, with the Trust performing 28/123 nationally for type 1 attendances and that February's performance was positiveThe executive oversight of the delivery of operational performance, and were asked to consider the appropriateness of the rigour being appliedThat the recovery trajectories are reviewed at the fortnightly Care Group Senior Leadership Team meetings.Receiving a report relating to long waiting patients on the elective waiting listReceiving a presentation in relation to the impact of Work as one system at a future meetingThe increase in CDI cases, but acknowledged that this had already been discussed at the Quality Committee.The declared SI in relation to the endoscopy service, and noted the mitigation plan in placeCapacity gaps for domiciliary care-which has impacted on the number Of stranded patients in the organisation. The Committee were provided with a description of the actions being taken by the local authority to mitigate the risk	
3.3	Risk: Cancer Recovery Plan	Level 1 Operational
	The Committee noted the update on key improvement actions that the Trust was taking to improve performance.	
	Risk: Elective care Recovery Plan Report	Level 1 Operational
	The Committee noted the report and agreed that this area of improvement was no longer a turn-around programme, and did not require the level of reporting previously received.	
	Assurance: Clinical Coding Service Review	Level 1 Operational
	The Committee was informed of service model review, from transactional coding to a more focused Business Intelligence function, with a clear priority of working more closely with clinicians. The Committee noted that the Trust was still a significant way off depth of coding it aspired to, and therefore our data did not necessarily full reflect the population we serve, causes issues for national audit etc. The Committee also considered the impact of this on non-fixed contractual income from out of area.	
4. Governance		
a. Committee Self-Assessment		
The Committee reviewed the outcome of its self-assessment and will reconsider this in terms of its terms of reference at its meeting in March		
b. Relevant internal audits		

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The Committee noted the approved internal audits related to its terms of reference.

Recommendation

The Board of Directors is requested to note the work of the Finance and Performance Committee in scrutinising the Foundation Trust's performance matters. It is also asked to note the assurance level 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	(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)						

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)
<input checked="" type="checkbox"/> Risk Assessment Framework <input checked="" type="checkbox"/> Quality Governance Framework
<input checked="" type="checkbox"/> Code of Governance <input checked="" type="checkbox"/> 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]