

Trust Board Meeting: Wednesday 10 July 2013

TB2013.91

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| Title | Finance and Performance Committee |
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| Status | For Approval |
| History | This is a regular report to the Board |

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| Board Lead(s) | Mr Christopher Goard, Committee Chairman | | | |
| Key purpose | Strategy | Assurance | Policy | Performance |

1. Introduction

The Finance and Performance Committee met on 12 June 2013. The main issues raised and discussed at the meeting are set out below.

2. Significant issues of interest to the Board

The following issues of interest have been highlighted for the Trust Board:

- The Committee reviewed the Trust's underlying financial position in regards to the year-end financial position. There was a consideration of the impact of the 30% marginal rate related to A&E and how payment at full tariff may have impacted on the position.
- The Committee discussed the historic delivery of CIPs and the ability of the Trust to achieve its in year CIP target. It was recognised that CIP planning had improved which had ensured flexibility to identify and bring forward projects where required. This was supported by a greater focus on forecasting CIP delivery and understanding the risks to delivery.
- The Committee reviewed the Month 1 position against the operational and financial performance of the Trust. This was considered in conjunction with the performance management process and the information contained in the divisional performance compact letters. It was recognised that further work was required to improve performance related to the Emergency Department, Delayed Transfers of Care and Diagnostic Waits. It was also recognised that corporate and divisional priorities needed to be clearly aligned to support delivery of these targets.
- The committee received and discussed a detailed paper on the locally agreed CQUINs. This included a consideration of the need to achieve a minimum of 50% of the pre-qualifiers in each quarter to access the CQUIN funds.

3. Key Risks Discussed

The following risks were discussed:

- Delivery of performance targets consistently and sustainably;
- Delivering the planned surplus was due to be challenging due to the nature of the agreed commissioning contract and the requirement to deliver CQUINs;
- Delivering CIPs, this was partially mitigated through the improved planning, monitoring and forecasting systems.

4. Key decisions taken

The following key decisions were made:

- The Committee agreed to receive copies of the divisional performance compact letters in future;
- The Committee agreed to the proposed changes to the Terms of Reference;

5. Agreed Key Actions

The Committee agreed actions relation to:

- Updating the Board Assurance Framework and Corporate Risk Register to add clarity as to which Committee or Group was overseeing the stated risks;
- Strengthening the divisional performance compact letters to ensure they capture and triangulate operational, financial and quality issues;

6. Future Business

The Committee will be focusing on the following areas in the next three months:

- Review the planning arrangements for Winter 2013/14;
- Monitor the performance of the Trust's physical estate and non-clinical services;
- Review the in-year delivery of annual efficiency savings programmes;
- Review delivery against the annual business plan and budget;
- Review the effectiveness of reporting;

7. Recommendation

The Trust Board is asked to:

- Note the contents of this paper;
- Approve the revised Terms of Reference as presented in Appendix 1.

Christopher Goard
Finance and Performance Committee Chairman
July 2013

Appendix 1

**Finance and Performance Committee
Terms of Reference****1. Authority**

The Finance and Performance Committee is constituted as a standing committee of the Trust Board. Its constitution and terms of reference shall be as follows, subject to amendment at future meetings of the Trust Board. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek the information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

2. Purpose of the Committee

The Committee is responsible for providing information and making recommendations to the Trust Board on financial and operational performance issues and for providing assurance that these are being managed safely.

3. Responsibilities and Duties

The specific responsibilities of the Committee are to:

- To review the integrated performance of the Trust
- To provide overview and scrutiny in any other areas of financial and operational performance referred to the Performance and Finance Committee by the Trust Board.
- To monitor the effectiveness of the Trust's financial and operational performance reporting systems ensuring that the Board is assured of continued compliance through its annual reporting, reporting by exception where required.
- To review the Trust's performance against its annual financial plan and budgets
- To review the Trust's operational performance against its annual plan and to monitor any necessary corrective planning and action.
- To monitor the performance of the Trust's physical estate and non-clinical services
- To provide overview and scrutiny to the development of the medium and long term financial models (MTFM and LTFM)
- To ensure the MTFM and LTFM is designed, developed, delivered, managed and monitored appropriately
- To ensure that appropriate clinical advice and involvement in the MTFM and LTFM is provided
- To review the in-year delivery of annual efficiency savings programmes
- To review the performance indicators relevant to the remit of the Committee

- Identify annual objectives of the Committee, produce an annual work plan in the agreed Trust format, measure performance at the end of the year and produce an annual report
- Consider any relevant risks within the Board Assurance Framework and corporate level risk register as they relate to the remit of the Committee, as part of the reporting requirements, and to report any areas of significant concern to the Audit Committee or the Board as appropriate
- Undertake any other responsibilities as delegated by the Trust Board

4. Membership

The membership of the Committee shall comprise of the following core members:

Non-Executive Director (Chairman)
Non-Executive Director (Vice Chairman)
Non-Executive Director
Non-Executive Director
Chief Executive
Director of Finance and Procurement
Medical Director
Director of Development and the Estate
Director of Clinical Services

All Board members outside the core membership have an open invitation to attend any meeting if he/she wishes to do so.

5. Attendance

It is expected that all members will attend four out of six committee meetings per financial year. If Executive Directors are unable to attend a meeting they should nominate a deputy subject to agreement with the Chief Executive and consultation with the Committee Chairman.

An attendance record will be recorded for each meeting.

The membership and terms of reference of the committee will be subject to annual review.

6. Quorum

The quorum shall be a minimum of 5 members, of which two shall be Non-Executive Directors.

7. Meetings

The Committee shall meet six times per year. The Chairman may at any time convene additional meetings of the Committee to consider business that requires urgent attention.

8. Notice of meetings

Meetings of the Committee shall be set at the start of the financial year. The agenda and supporting papers shall be forwarded to each member of the Committee not less than five working days before the date of the meeting.

9. Reporting arrangements

The proceedings of each meeting of the Committee shall be reported to next meeting of the Board following production of the minutes. The Chairman of the meeting shall draw the attention of the Board any issues that require disclosure or require executive action. The Chairman is required to inform the Board on any exceptions to the annual work plan or strategy. The Chairman will report any specific issues relating to the Trust's Risk Register to the Audit Committee.

10. Relationships with other committees

The Committee receives information and assurances from the Trust's internal performance review processes and meetings.

11. Administration

The Finance and Performance Committee will be supported by a nominated lead Executive Director who will ensure that the committee is effectively supported by an appropriate administrative function.

The Head of Corporate Governance (in the role of Company Secretary) will provide oversight of the committee administration

12. Review of Terms of Reference

The Terms of Reference of the committee shall be reviewed at least annually by the committee and approved by the Trust Board.