

Report to:	Trust Board (Public)	Agenda item:	SFT4112
Date of Meeting:	4 October 2018		

Report Title:	Annual Review of Finance & Performance Committee			
Status:	Information	Discussion	Assurance	Approval
			x	
Prepared by:	Paul Miller, Committee Chair, Non-Executive Director			
Executive Sponsor (presenting):	Lisa Thomas, Director of Finance			
Appendices (list if applicable):	None			

Recommendation:
The Board is asked to note the annual review of the Finance & Performance Committee which outlines work undertaken by the Committee in the year September 2017 – August 2018 and priorities for 2018/19.

Executive Summary:
<p>This report is the formal annual review of the Finance and Performance Committee. It outlines the work of the Committee of the last year and outlines the priorities for next year.</p> <p>The report concludes the Committee is functioning effectively and meeting its objectives.</p>

Annual Review of Finance and Performance Committee September 2017 –August 2018

1. Introduction

The purpose of this report is to formally report on the work of the F&P Committee during 2017/18 and to indicate the priorities for 2018/19.

The Finance and Performance Committee is a formal sub-committee of the Board and therefore chaired by a Non-Executive Director. The Committee is an assurance committee to enable a greater insight into the Trust's performance in terms of performance and financial outcomes. In doing so, it may request additional management information on specific areas as well as providing knowledge to the Board on those areas if it is considered they may impact the delivery of the Trust's strategic objectives.

2. Work undertaken in 2017/18 and 2018/19

The Committee has ensured that it has given due focus to each of the areas of finance and operational performance over the year. The Committee operates under a standard agenda which is structured in line with the Board Assurance Framework. Which outline 6 strategic priorities and the Finance and Performance Committee focuses on the following three:

- Local services
- Specialist services
- resources

The Finance & Performance Committee has met on 12 occasions during the year. The bulk of the Committee's work reflected the routine consideration of monthly reports on the following issues:

- Overall financial position of the Trust
- Contractual issues with the Trust's key commissioners
- Activity position of the Trust
- The Outstanding Every Time programme progress
- Balance sheet and working capital issues
- Financial risks and Recovery plan actions
- National and regional issues and context
- Planning process for 2018/19
- The Trust performance report and key risks related to the Committee's responsibilities.
- Performance on key service targets e.g. 18 week RTT, Cancer Waiting Times, A&E 4 hour waits, Diagnostics, MRSA and C Difficile
- Delivery of activity and waiting list plans
- Other key performance monitoring measures e.g. length of stay, CQUIN standards
- Subsidiary company performance

The work programme has concentrated on the significant financial challenges facing the Trust. This has included an overview of work to better understand the underlying financial position. A fundamental review of the Trusts position was undertaken in terms of income, expenditure, borrowing and cash. The committee also considered other issues during the year including:

- Negotiations with NHS Improvement (NHSI) on the 2018/19 Control Total
- Development of the 2018/19 Efficiency Plan
- The financial forecast and risk range
- On-going development of the Trust's Outstanding Every Time Programme and incorporation of the recommendations of the Carter Report on Acute Hospital Efficiency, Model Hospital data and GIRFT actions
- Actions being taken to address the Directorates with major financial challenges
- Reports on key operational challenges, particularly delayed discharges and associated issues with social care
- The Trust's Costing Development Plan and Reference Cost production arrangements.

The Committee undertook its role by receiving and questioning papers and presentations; discussion of key issues; seeking of assurance; making suggestions and recommendations where appropriate; and drawing significant issues to the attention of the Board of Directors.

The Chairman of the Committee has been actively involved in setting the agenda with the Director of Finance. The minutes of the meeting are reported to the subsequent Board meeting for information, with highlights and issues for escalation presented by the Chair.

Committee attendance at Finance & Performance Committee meetings September 2017 to August 2018.

Member	Designation	Meetings attended
Nick Marsden (Committee Chair until and including March 18)	Chairman	7/7 to March 18 4/5 April – Sept 18
Paul Miller (Committee Chair from April 18, joining Committee March 18)	Non-Executive Director	5/6
Paul Kemp	Non-Executive Director	11/12
Jane Reid	Non-Executive Director	9/12
Rachel Credidio	Non-Executive Director	5/6
Tania Baker (until and including March 18)	Non-Executive Director	6/7
Kirsty Matthews (until and including November 17)	Non-Executive Director	2/3
Cara Charles –Barks	Chief Executive	10/12
Lisa Thomas	Director of Finance	12/12
Andy Hyett	Chief Operating Officer	10/12

Paul Hargreaves	Director of OD & People	8/12
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3. Work Plan for 2018/19

The Committee's overarching objective is to gain a sufficient understanding of the financial and operational performance control processes of the Trust to provide assurance to the Board. In particular it will focus on:

- Continued focus on the significant financial challenges facing the Trust
- Improving the approach to capital and revenue planning and forecasting
- Focussing on long term financial planning and implications
- Continued development and improvement of financial reporting
- Improvements in the quality of costing within the Trust
- Raising financial awareness and business acumen throughout the Trust
- Assessment of financial risks in delivering financial plans agreed with NHS Improvement
- The impact of increased demand both financially and in terms of the impact on elective and non-elective procedures
- The impact of delayed discharges of care from both a financial and an operational perspective;

4. Terms of Reference

The Terms of Reference have been reviewed as part of the annual update of the Integrated Governance Framework which was presented to Board in April 2018, and are attached for reference.

5. Conclusion

The Finance and Performance Committee has provided an important role in the governance of the Trust and will continue to have a key role in ensuring good financial and operational performance. This review of the last year highlights that the Committee is meeting its objectives and functioning effectively.