

## Trust Board 26<sup>th</sup> October 2021

### Finance and Performance Committee Annual Review 2020/21

#### Purpose

To provide an annual review of the effectiveness of the Finance and Performance Committee for 2020/21.

#### Analysis of the issue

The Finance and Performance Committee is a Non-executive Director led Committee of the Trust Board. Since September 2021 FPC has met on a bi-monthly basis. Its membership has five key Executive Directors and three Non-Executive Directors including a Non-Executive from the Quality Assurance Committee which ensures triangulation between the two committees. FPC is tasked with undertaking financial reviews, including capital planning and infrastructure developments, on behalf of the Trust Board, and considers actions to mitigate any major financial and performance risks facing our Trust. Business development opportunities and the production of both the annual and longer term business plans are also within their remit. The Committee provides assurance over LPT's operational performance to the Trust Board. This includes performance against the national priorities as set out in the NHS Operational Planning and Contracting Guidance.

During this year the Director of Corporate Governance and Risk and Deputy Director of Corporate Governance and Risk have been working with the Chairs of both FPC and QAC to agree increased rigor around the functioning of the committees and corporate governance support to the committee Chairs.

A mid-year review was presented to FPC in November 2020 which evaluated the first 8 months of 2020/21. A full year review is provided in Appendix 1. This confirms that the Finance and Performance Committee has operated effectively during the 2020/21 year.

#### Proposal

Mid-year review of effectiveness to be undertaken in November 2021

#### Decision required

For Information.

## Governance table

<b>For Board and Board Committees:</b>	Trust Board 26 <sup>th</sup> October 2021	
<b>Paper sponsored by:</b>	Chris Oakes, Director of Governance and Risk	
<b>Paper authored by:</b>	Kate Dyer, Deputy Director of Governance and Risk	
<b>Date submitted:</b>	18 <sup>th</sup> October 2021	
<b>State which Board Committee or other forum within the Trust's governance structure, if any, have previously considered the report/this issue and the date of the relevant meeting(s):</b>	FPC 27 July 2021 Audit and Assurance Committee 3 September 2021	
<b>If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e. assured/ partially assured / not assured:</b>	Assured.	
<b>State whether this is a 'one off' report or, if not, when an update report will be provided for the purposes of corporate Agenda planning</b>	Annual.	
<b>STEP up to GREAT strategic alignment*:</b>	High Standards	
	Transformation	
	Environments	
	Patient Involvement	
	Well Governed	Yes
	Single Patient Record	
	Equality, Leadership, Culture	
	Access to Services	
	Trust Wide Quality Improvement	
<b>Organisational Risk Register considerations:</b>	List risk number and title of risk	
<b>Is the decision required consistent with LPT's risk appetite:</b>	Yes	
<b>False and misleading information (FOMI) considerations:</b>	None	
<b>Positive confirmation that the content does not risk the safety of patients or the public</b>	Confirmed	
<b>Equality considerations:</b>	None	

## Appendix 1

### FPC Committee Review 2020/21

#### 1. Fulfilling the Terms of Reference

##### 1.1 COVID-19

In March 2020 we proposed interim arrangements for the Trust governance structure in response to the first wave of Covid 19. Whilst these were rescinded in October 2020, they were reinstated in December 2020 in response to the second wave.

Trust meetings were categorised to determine an appropriate governance approach for the interim period during the first wave. The FPC was categorised as 'Critical', meaning that meetings continued as per the meeting schedule but focussed on essential business.

This was defined as the following six priority areas;

- Quality and Safety
- Finance and impacts on performance
- Risk
- Covid 19
- The Health and Wellbeing of staff
- Statutory requirements

All agenda items delayed or suspended due to Covid have been listed as not received on agendas and have been included in the forward work planning.

FPC usually receives regular highlight reports, and an annual committee review from the level 2 committees which are direct reports. However, during the pandemic some of these Level 2 committees have run a reduced agenda or have stood down for a period. None of the Level 2 committees are required to produce an annual committee review for the 2020 – 2021 period. FPC is parent committee to the following Committees:

- Estates and Medical Equipment Committee (stood down December 20 & January 2021)
- Transformation Committee (stood down until June 2021)
- IM&T Committee (stood down December 20 & January 2021)
- Data Privacy Committee (reduced agenda – 1 hour monthly meetings)
- Capital Management Committee (reduced agenda)
- Strategic Waiting Times and Harm Review Committee (stood down until March 2021)

##### 1.2 Terms of Reference and Work Plan

The duties of the ToR were covered through the work plan and agendas during the year.

The TOR was revised in July 2020 following the Board Architecture work to determine the delegated duties for the FPC. There have been no further

amendments since this date. The work plan has been reviewed and all areas within the ToR are covered.

### 1.3 Membership

Membership attendance has been satisfactory and each meeting was quorate.

The quorum is three members of the Committee and must include a Non-Executive and a Clinical Executive Director.

A total of 9 meetings were held.

Committee Member	No of Meetings attended
Geoff Rowbotham – NED (Chair)	9/9
Faisal Hussain - NED	8/9
Liz Rowbotham (to 31.8.20) - NED	4/5
Ruth Marchington (from 1.9.20) - NED	3/4
Dani Cecchini (to 31.12.20) Director of Finance (Executive Lead)	6/7
Sharon Murphy (from 1.1.21) Interim Director of finance (Executive Lead)	2/2
Sue Elcock (to 31.5.20) – Medical Director	2/2
Avinash Hiremath (from 1.6.20) – Medical Director	7/7
Chris Oakes – Director of Governance and Risk	9/9
David Williams - Director of Strategy and Business Development	8/9
Helen Thompson – Service Director	8/9

### 1.4 External Assurance

The committee can receive external assurance from a number of sources including;

- The Trust’s buddy relationship with Northamptonshire Healthcare NHS Foundation Trust
- Externally commissioned reviews, we note that there have not been any reported to the FPC during 2020/21
- Internal Audit reports. This includes regular progress reports on delivery of the internal audit programme, and presentation of pertinent limited assurance reports.
- External auditors. This has previously included an external limited assurance review of data underpinning the quality account. We note that this is no longer a requirement of the ISA260 report and as such, this has not been undertaken during 2020/21.
- External review by patient groups and key stakeholder groups such as Healthwatch e.g. “Enter and View” visits, although we note that no assurance has been received by the FPC during 2020/21.

### 1.5 Internal Audit

Due to covid, 360 Assurance experienced significant delays in starting work in Q1 of 2020/21. In order to balance remaining available resource, with work required for a

well-founded Head of Internal Audit Opinion, the 360 Assurance Management Board made a recommendation to deliver 75% of the audit plan. In June 2020 this was approved by the Trust and the audit plan was reduced by 25% (retaining core audit requirements and assessing the risk of non-core audits). The audits with FPC oversight during the 2020/21 year included;

- An advisory review outside of the audit plan regarding the Beacon Unit; this included a review of the business case through to completion. January 2021 (ref 03). No opinion provided - advisory.
- Integrity of the GL and Financial Reporting. February 2021 (ref 05). Significant Assurance.
- Financial Systems. February 2021 (ref 06) focusing on:
  - o Accounts receivable. Significant Assurance
  - o Procurement – processes during COVID-19. Limited Assurance
  - o COVID-19 expenditure. AdvisoryThis was presented to the FPC on 30 March 2021.
- Pay Expenditure. February 2021 (ref 07). Significant Assurance
- Data Security Standards April 2021 (ref 10). Substantial (NHSD wording)
- Waiting Times. May 2020 (19/20 ref 26). Limited Assurance. This was presented to the FPC on 16 June 2020.

## 2. Committee Effectiveness

2.1 Overall, the meetings have been considered as well-run. Papers are issued five working days ahead of the meeting and are of good quality. The minutes of the meetings reflect thorough and informed debate for items with a rigour for matters not proceeding as expected and support for positive progress as assured. Deep dive topics continue to have the longest agenda time to facilitate the quality of discussions. After every meeting the Committee provides Highlight Reports for assurance levels received for agenda topics to the Trust Board.

### 2.2 Committee Priorities 2019/20

In the 2019/20 annual review, the following priorities were determined for FPC during 2020/21;

- Patient and staff viewpoint
- Waiting times performance
- Estates and Facilities management
- Single electronic patient record
- Transformation
- Oversight of the assurance related to COVID-19 recovery and restoration

These were considered and evidenced throughout the Committee meetings held during the period and aligned to the COVID committee agenda priorities. In addition to scheduled work plan items, there has been a joint QAC/FPC workshop aligned to these areas.

Patient and Staff viewpoint. In September 2020 the Committee discussed the format and key lessons learnt. It was agreed to defer the agenda item to allow more focus on the two main items a review would be undertaken by the Chairs of FPC & QAC with the Governance team with recommendations for discussion and approval at FPC and QAC.

The Committee has adopted a more open, learning and triangulated approach to its business through;-

- The introduction of bi monthly pre meetings to jointly review agendas and priorities with QAC and the Trust Governance Team. Action log QI 859
- The communication of its remit and priorities to all colleagues across the Trust through the staff internal web sessions for Step up to Great. Action log QI 858
- The welcoming of external observers. Action log QI 858

### 2.3 Key in-year changes

There have been a number of significant changes impacting on FPC during 2020/21, these include;

- Committee scheduling. The meeting has been moved to later in the month to support the flow of information. The meeting has moved to bi-monthly (from September 2020, this was delayed from the original planned date of January 2020 due to covid) and following a lessons learnt review with QAC of the impact of bi monthly on the work schedule the meeting has been extended to three hours in duration from November 2020 (half an hour longer than the former two and a half hour meeting).
- A revised report format has been introduced into the Trust to support more focussed presentation and clarity over what is being asked of committees.
- Board Architecture. This project has involved a full review of what an NHS Trust Board must and should receive based its constitutional, statutory and mandatory requirements , including items according to the scheme of delegation and best practice items recommended for Board oversight. The architecture determines which items are not being delegated by the Board, which items are being delegated to the level 1 committees or the executive team and details the assurance route. We revised the work plan for FPC based on this architecture which commenced from 1 April 2021.
- Following the mid-year review of the Finance and Performance Committee, the Finance and Performance Committee ToR makes reference to the approval of accounting policies and the treasury management policy. It has been recommended as part of the ongoing learning approach adopted by the Committee that these policies transfer to the oversight of the Audit and Assurance Committee from 1 January 2021. The FPC and AAC ToR will be updated accordingly.
- The ORR is now shared with the level 2 committees to support the flow of assurance from the level 2 committees into the level 1's. This has been rolled out since October 2020

- A Waiting Times and Harm Review Committee (which feeds into FPC) was formally introduced as a level 2 Committee in July 2020.
- The establishment of an LLR ICS and the East Midlands Provider Collaborative for Adult Eating Disorders.

#### 2.4 Achievements, successes

Feedback on achievements from Committee members primarily falls within the following three themes;

- Maintaining the balance between managing performance whilst supporting staff and the organisation through the pandemic
- Enabling constructive and appropriately challenging discussions where all meeting attendees are able to contribute
- Despite the challenges of 2020/21, continued delivery of key priorities and keeping momentum going with improvements to reporting to facilitate greater understanding of performance.

#### 2.5 Challenges

Feedback on challenges from Committee members primarily related to assurance around the reliability of performance data. Difficulties in linking the waiting times, harm review process & any consequent harm.

### 3. Future Plans

The future plans and priorities identified for the FPC will ensure that the Committee is focusing on the right agenda during 2021/22. These include;

- Recovery of performance post Covid
- Overseeing financial delivery under H1 & H2 financial frameworks for LPT & as part of LLR system financial delivery
- Overseeing development of long term LPT & LLR system financial plan to address underlying deficit position
- Oversight of Performance Collaboratives delivery & management of LPT specific risks
- Data Quality improvement
- Implementation of new format performance report & dashboards
- Harm review reporting & link to actual harm
- Overseeing the estates FM service transition & quality of service delivery during the transition
- Estates strategy development

#### 3.1 The Committee will continue its oversight and scrutiny of priorities relating to COVID-19, the Step up to Great Strategy and areas of strategic risk.

The overarching thematic priorities of the FPC for 21/22 include;

- Impact of Integrated Care System and Provider collaborative
- Induction of new NED
- Establish and embed the process for reporting on third party assurance to the Committee
- Ongoing implementation of the revised governance.