

TRUST BOARD
30th July 2015

TITLE	Annual Report of the Finance and Performance Committee
EXECUTIVE SUMMARY	<p>As a formal sub-committee of the Trust Board the Finance and Performance Committee is required to present its Annual Report to the Trust Board under the Committee and Group Policy.</p> <p>The report summarises the key areas of activities over the year to 30th June 2015 in discharging the Committee's duties under its approved Terms of Reference.</p>
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Trust Board is assured that risks (financial and performance) have been identified during the year and actions have been taken to address them.
ALIGN TO TRUST RISK REGISTER	Links to all risks considered by the Finance and Performance Committee.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None obtained.
EQUALITY AND DIVERSITY ISSUES	None identified.
LEGAL ISSUES	None identified.
The Trust Board is asked to:	Note the report.
Submitted by:	Nadeem Aziz, Committee Chair
Date:	23 rd July 2015
Decision:	For Noting

TRUST BOARD
30th July 2015**Annual Report of the Finance and Performance Committee****Introduction**

The Finance and Performance Committee is a formal sub-Committee of the Trust Board with defined Terms of Reference and as such is required to prepare an annual report on its work and performance in the preceding year for consideration by the Trust Board. This report summarises the Finance and Performance Committees activity for the year to 30th June 2015.

Meetings

Meetings were held on the following dates during the period: -

25 th July 2014	18 th September 2014
23 rd October 2014	20 th November 2014
18 th December 2014	22 nd January 2015
19 th February 2015	19 th March 2015
23 rd April 2015	21 st May 2015
18 th June 2015	

Membership and Attendance

The membership of the Finance and Performance Committee over the year is set out below along with the maximum number of meetings that could have been attended and actual number attended. Each member (or fully briefed deputy) must attend a minimum of 50% of meetings during the year.

<u>Name</u>	<u>Position</u>	<u>Max</u>	<u>Actual</u>
Jim Gollan	Non-Executive Director (Chair until July 2014)	1	1
Nadeem Aziz	Non-Executive Director (Chair from September 2014)	10	8
Clive Goodwin	Non-Executive Director	11	7
Terry Price	Non-Executive Director	2	1
Peter Taylor	Non-Executive Director	9	7
Simon Marshall	Director of Finance and Information	11	11
Valerie Bartlett	Deputy Chief Executive	8	3
Lorraine Knight	Interim Chief Operating Officer	3	2

To ensure that meetings were quorate Terry Price, Non-Executive Director, attended the January 2015 meeting, and Aileen McLeish, Chairman, attended the April 2015 meeting.

Deputies attended for the Deputy Chief Executive and Interim Chief Operating Officer on one occasion each.

The Chief Executive, Chief Nurse and Director of Workforce Transformation are invited to attend meetings, but are not formal members of the Committee. The Chief Executive attended eight of the meetings and the Director of Workforce Transformation one.

The Committee is supported by the Deputy Director of Finance and the Assistant Director, Financial Management who acts as Secretary to the Committee.

Terms of Reference

The current Finance and Performance Committee Terms of Reference were reviewed and updated by the Committee at its 25th July 2014 meeting and then approved by the Trust Board on 31st July 2014.

Progress/Achievements

The Committee made satisfactory progress overall against the objectives which it set itself for 2014/15 as follows:

Objective	Update
<p>1. <u>Risk based budgetary control</u></p> <p>Manage the delivery of key financial targets using a risk management plan.</p>	<p>This was the major focus of the Committee's regular work in 2014/15. The Trust faced several challenges (e.g. payment of over-performance, investment in urgent care pathways, unbudgeted levels of temporary staffing and escalation beds), and although a deficit was delivered this was less than had been forecast.</p> <p>The key mechanism for reviewing forward performance was through a risk and sensitivity analysis to provide focus on the most significant drivers of performance.</p>
<p>2. <u>The FD's Think Tank</u></p> <p>Use part of some meetings to develop thinking on key financial issues. The Director of Finance and Information will identify and bring these to the Committee, supported by a short paper to set up discussion.</p>	<p>Topics covered included:</p> <ul style="list-style-type: none"> • Contract Updates • CQUIN's • QIPP Programme • Detailed CIP Plans • NWS CCG Planning Assumptions • Revaluations <p>There was also the development of Operational Effectiveness Metrics which are now reviewed monthly.</p>
<p>3. <u>Business case delivery and tracking</u></p> <p>Review the lessons learned reviews due in 2014/15 for major projects completed during this year or last. In addition to track business cases to ensure delivery of implementation to timetable and delivery of key KPI's.</p>	<p>Business case follow-up papers reviewed at and January 2015 and July 2015 meetings.</p> <p>EmR business case reviewed (November 2014) prior to going to Trust Board.</p>

<p>4. <u>Merger</u></p> <p>Provide support to the merger and oversight of the merger case that is being prepared.</p>	<p>Reviewed merger finances, including a joint meeting with the RSCH Finance & Investment Committee members held in November 2014.</p> <p>Reviewed expected costs of the phase 2 CMA work.</p>
<p>5. <u>Operational Performance</u></p> <p>Activation of the “operational oversight” role of the Committee.</p>	<p>Oversaw the rewrite of the operational performance report to ensure the Committee received relevant information.</p>

The Committee held a workshop on 26th March 2015 to discuss what its role was in monitoring operational performance and the level and type of detail that it received in all reports presented to it. As a result of the workshop the operational performance and finance reports have been rewritten to provide the Committee with more relevant information for it to discharge its duties. Work is ongoing to integrate workforce data.

Polices

The Committee has reviewed the Treasury Management Policy and an updated policy was approved in May 2015. At the same meeting the Committee reviewed and approved the Council of Governors Expenses policy.

Objectives for 2015/16

Key objectives for 2015/16 will remain as:

- Risk based budgetary control
- Operational performance
- Merger/financial strategy

Conclusion

The Committee has complied with its Terms of Reference during the periods under review.

Nadeem Aziz
Finance and Performance Committee Chair
July 2015