

# **The Finance and Performance Committee**

## **Annual Report**

**Financial Year 1 April 2020 to 31 March 2021**

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## **1 PERIOD COVERED BY THIS REPORT**

This report covers the work of the Finance and Performance Committee for the financial year 1 April 2020 to 31 March 2021.

## **1 INTRODUCTION**

The Finance and Performance Committee has powers delegated to it by the Board to seek high-level assurance on the controls and management in respect of financial governance, and business and growth opportunities focusing on areas including: the financial data for submission to the Board; the financial plan; the procurement strategy; income contracts; the information technology and information governance strategies; the capital programme; estates strategy; business planning; and emergency planning and resilience.

This report covers the work the Committee has undertaken at the meetings held during 2020/21. It seeks to assure the Board on the work it has carried out and the assurances received, and to demonstrate that it has operated within its Terms of Reference. The Committee undertakes an annual effectiveness review (last done in November 2020) and the results of this are presented to the Committee for consideration.

Membership of the Finance and Performance Committee is made up of three non-executive directors; the Chief Financial Officer; and the Chief Operating Officer. The Committee is chaired by a non-executive director (NED), Sue White. The Committee also has as one of its non-executive director members the Chair of the Audit Committee (Martin Wright) who provides independent financial expertise to the Committee. The other NED member is Cleveland Henry who brings specific expertise on information technology.

Should the NED chair be unable to chair the meeting this role will fall to one of the other NEDs, but not the Chair of the Audit Committee. This allows the Chair of the Audit Committee to maintain a high degree of independence within the governance structure as required by the Audit Committee handbook.

Further information about the membership of the Committee can be found in Section 6 below.

Secretariat support is provided by the Corporate Governance Team in relation to agenda planning, minutes and general meeting support.

### **3 ASSURANCE**

The Committee receives assurance from the executive director members of the Committee and from the subject matter experts (key senior members of staff) who attend each meeting on a regular basis. This includes the Assistant Director of Finance; the Chief Information Officer; and others who may be required to attend as necessary.

Assurance is provided through written reports, both regular and bespoke, through challenge by members of the Committee and by members seeking to validate the information provided through a wider knowledge of the organisation; specialist areas of expertise; attending Board of Directors', and Council of Governors' meetings; visiting services and talking to staff.

The Committee is assured that it has the correct membership to provide the right level and calibre of information and challenge and that the right reporting methods, structures and work plan are in place to provide oversight on behalf of the Board in respect of performance in the areas covered by its Terms of Reference.

Part of its assurance role is to receive the Board Assurance Framework (BAF); a primary assurance document for the Board. The BAF details the key controls in place to ensure that the risks to achieving the strategic objectives are well managed. The BAF lists the committees that are responsible for receiving assurance in respect of the effectiveness of the controls. The Finance and Performance Committee is asked to note those where it is listed as an assurance receiver to confirm that it has received sufficient assurance through the reports presented to the Committee, or to commission further information where there is a lack of assurance (actual or perceived).

The Committee reviews the BAF on a quarterly basis prior to it being presented to the Board of Directors. During 2020/21 this was discussed at the Committee meetings and each time it confirmed that it had received sufficient assurance in regard to those risks

where it was named as an assurance receiver. Whilst there was not a specific strategic risk for the Covid-19 pandemic, the Board had agreed that the risks listed in the document would show the impact of Covid-19 on their scores and controls.

#### **4 TERMS OF REFERENCE FOR THE FINANCE AND PERFORMANCE COMMITTEE**

In November 2020 the Terms of Reference for the Finance and Performance Committee were reviewed. Two amendments were made to this version as agreed by the Board of Directors. The first said that meetings may be held face-to-face or remotely as is considered appropriate. The second said that the Committee will review the draft Internal Audit Annual work plan so it can be assured on the sufficiency of the work the Auditors will carry out in respect of matters pertaining to the duties of the Committee. The Committee reviewed the draft Internal Audit Annual work plan at its March 2021 meeting.

#### **5 MEETINGS OF THE COMMITTEE**

In 2020/21 the Committee formally met on five occasions:

- 22 September 2020
- 27 October 2020
- 24 November 2020
- 26 January 2021
- 23 March 2021

The Chair of the Committee agreed the agendas for each of the meetings and a full set of papers was circulated to members of the Committee within the agreed timescales. All actions pertaining to the meetings of the Committee were tracked on a cumulative action log and presented to each meeting by the Corporate Governance Team for assurance with progress made.

The way in which the Committee has worked over the past year and the issues it has considered have been affected by the Covid-19 pandemic. For the first four months of the last financial year, in line with NHS England / Improvement guidance around reducing the burden on executive staff, the non-executive directors met virtually with the executive directors, either individually or together, in April, May, June and July. At these meetings

Committee members reviewed short written and verbal updates about how the Trust was preparing for and coping with the pressures of the pandemic from a service delivery perspective and also a financial, procurement, estates, and IT perspective. These meetings were informal and no minutes were taken but the Chair provided a verbal summary of what was discussed at the next available Board meeting.

The Committee was able to provide assurance to the Board that robust standards of financial governance and accounting were in place despite the considerable pressures faced. Reporting on service performance was difficult during this period because of the adaptations required to support service users and staff with Covid-19, and also because the implementation of a new patient administration system, Care Director, had disrupted the usual data collection and reporting arrangements. However, the Committee was assured that executive colleagues had access to and were acting upon live data to identify and address hotspots.

A Hibernation Plan was created which kept a detailed record of the issues which had been “hibernated” during the first wave of the pandemic and made sure they were rescheduled for discussion and review.

In addition to the scheduled committee meetings the Finance and Performance Committee, Quality Committee and Workforce Committee have agreed to meet up to twice year. By coming together these committees can look matters through the lens of resources and quality and understand the interdependency of these two aspects. In 2020/21 the committees came together on the 10 November 2020 and looked at: Out of Area Placements, the Acute Care Excellence Programme, and waiting times for the Gender Identity Service. A joint meeting was also scheduled for the 16 March 2021 but this was cancelled due to Covid-19 pressures.

## **6 MEMBERSHIP OF THE COMMITTEE AND ATTENDANCE AT MEETINGS**

The substantive membership of the Committee is made up of three non-executive directors; the Chief Financial Officer; and the Chief Operating Officer. The Committee is attended by a number of subject matter experts (as listed in the Terms of Reference). The table below shows the attendance of substantive members for the meetings that took place during 2020/21.

## Attendance at the Committee meetings by substantive members

### Key:

- ✓ shows attendance
- shows when apologies had been given by a member for a particular meeting
- stipulates when the individual was not eligible to attend the meeting
- Part B** shows when a private part of the meeting for members only also took place
- ✓ shows attendance at the private part of the meeting only

Name	22 Sept 2020 - Part B	27 October 2020 - Part B	24 November 2020	26 Jan 2021 - Part B	23 March 2021 - Part B
Joanna Forster Adams (Chief Operating Officer)	✓	✓	✓	✓	✓
Dawn Hanwell (Chief Financial Officer & Deputy Chief Executive)	✓	✓	✓	✓	✓
Cleveland Henry (Non-Executive Director)	✓	✓	✓	✓	✓
Sue White (Non-Executive Director)	✓	✓	✓	✓	✓
Martin Wright (Non-Executive Director)	✓	✓	✓	✓	✓

The Committee is also attended by senior managers (subject matter experts); some attend on a regular basis (marked \*) and other attend only when they have a specific paper to present or reason to attend (marked \*\*). Attendance is shown in the following table.

## Attendance at Finance and Performance Committee meetings by formal attendees

Name	22 Sept 2020 - Part B	27 October 2020 - Part B	24 November 2020	26 Jan 2021 - Part B	23 March 2021 - Part B
David Brewin, Assistant Director of Finance *	✓	-	✓	✓	-
Bill Fawcett, Chief Information Officer *	✓	✓	-	✓	-
Cath Hill, Associate Director for Corporate Governance *	-	✓	✓	✓	✓
Roz Davies, Managing Director of mHabitat **	■	■	■	✓	■
Keith Rowley, Managing Director of North of England Commercial Procurement Collaborative **	■	✓	■	■	✓

## 7 REPORTS MADE TO THE BOARD OF DIRECTORS

The Chair of the Finance and Performance Committee makes an assurance and escalation report regarding the most recent meeting of the Committee to the next available Board of Directors' meeting. Generally these have been provided in written form, but for the informal meetings of April, May, June and July these reports were done verbally. The report seeks to assure the Board on the main items discussed by the Committee and allows an opportunity to escalate to the Board any matters of concern or urgent business which the Committee is unable to conclude. The Board may then decide to give direction to the Committee as to how the matter should be taken forward or it may agree that the Board deals with the matter itself.

Having received the reports from the Chair of the Committee there were no matters on which the Board asked for further update or clarification and it was assured that the Finance and Performance Committee was progressing matters appropriately.

Where the Board wants greater assurance on any matters that are within the remit of the Terms of Reference of the Committee the Board may ask for these to be looked at in greater detail by the Committee. In 2020/21 the Board did not delegate any matters to the Committee over and above its Terms of Reference.

<b>Date of meeting</b>	<b>Report to Board by Chair</b>
27 & 28 April 2020	30 April 2020
19 & 20 May 2020	21 May 2020
23 June 2020	25 June 2020
27 July 2020	30 July 2020
22 September 2020	24 September 2020
27 October 2020	29 October 2020
24 November 2020	26 November 2020
26 January 2021	28 January 2021
23 March 2021	25 March 2021

## 8 THE WORK OF THE COMMITTEE DURING 2020/21

During 2020/21 the Chair of the Finance and Performance Committee confirmed that the Committee has carried out its role in accordance with its Terms of Reference, which are attached at Appendix 1 for information. Further details of all of these areas of work can be found in the public minutes and papers of the Committee.

Areas of work on which the Committee has received assurance on during 2020/21 are set out below.

### **Financial performance and forecast out-turn:**

- reviewed in detail the financial performance reports at each meeting
- reviewed the Trust's capital expenditure
- considered and supported the financial plan for months 7 to 12, including assumptions and range forecasts for 2020/21
- reviewed the financial planning arrangements for 2021/22
- received assurance that the Trust's year end revenue position would be positive
- received assurance that NHS Improvement's audit of the Trust's revenue and capital Covid-19 expenditure had found no irregularities or major queries
- considered the effect of Covid-19 on the Trust's non NHS contracted income and plans for the future
- confirmed that it was satisfied with the Trust's costing processes and systems as per the National Cost Collection Assurance pre-submission
- received updates on plans to address the unspent apprenticeship levy funds.

### **Procurement:**

- received and supported an outline of some of the key facets which would underpin the development of the Procurement Plan.

### **Estates:**

- reviewed progress on the Strategic Estates Plan, including actions taken as a result of Covid-19
- reviewed progress on the build of the new Child and Adolescent Mental Health

Service (CAMHS) unit (Red Kite View) at St Mary's Hospital

- reviewed the options for the future of Little Woodhouse Hall once it is vacated and the CAMHS service relocates to Red Kite View
- considered possible options for the National Inpatient Centre for Psychological Medicine (NICPM) estates solution
- received the update on the Trust's Sustainable Development Management Plan which highlighted the latest developments and provided progress to date of key projects and work streams
- received an update on the takeover of PFI Facilities Management services from Interserve to Mitie which had proceeded smoothly.

### **Clinical Contracts:**

- received due diligence associated with the transfer of the Tier 4 CAMHS inpatient service from Leeds Community Healthcare to the Trust
- reviewed the Business Transfer Agreement for the CAMHS inpatient service and was assured that the appropriate governance was in place
- considered the risks and opportunities related to the development of Provider Collaboratives across the West Yorkshire, and Humber Coast and Vale Integrated Care Systems
- reviewed and supported the arrangements for the West Yorkshire Adult Eating Disorders Provider Collaborative.

### **Informatics**

- noted the progress of the current programme of work against the Informatics Plan, and received assurance that no major unmitigated risks currently existed that would impact the ICT Service to the Trust
- received assurance around investment in, and progress with, maximising the benefits of the new Care Director system and new ways of working including remote consultations
- received the Data Security and Protection Toolkit, noting that the Toolkit performance had received significant assurance from Internal Audit
- reviewed a cyber security dashboard which provided a clear indication of the status of each element of the "ten steps to cyber security" devised by the National Cyber

## Security Centre

- received regular assurance reports and the Annual Report from the Information Governance Group.

## **Performance:**

- regularly reviewed the service sections of the Combined Quality and Performance Report and considered the different factors affecting performance, including Covid-19 and the new ways of working as part of the reset and stabilisation plan, and received assurance on the actions taken to improve performance related issues
- received a report outlining the short term development programme for data quality and reporting following the Care Director deployment
- sought assurance on demand and capacity issues relating to out of area placements and bed occupancy rates
- reviewed the acute patient flow and capacity position
- received several 'deep dive' briefing papers which provided detailed narrative on performance in various areas, these included: assurance on the impact of Covid-19 on the Trust's physical health monitoring standard, plans to address the Acute Liaison Psychiatry Service A&E response time, and Gender Identity Service performance including the waiting list position
- reviewed the Winter Resilience and Operating Plan in detail and supported the operating objectives that had been established to prepare for the winter 2020/21
- received costing and staffing information regarding the new vaccination centre located at the Mount.

## **North of England Commercial Procurement Collaborative (NOE CPC):**

- received an update on the income forecasts for the NOE CPC Procurement Hub, recognising the Covid-19 crisis, and was assured that NOE CPC was confident in recouping most of the targeting income this financial year
- received a comprehensive report relating to actual and potential legal challenges and was assured that the risks were low, and that they were mitigated
- received significant assurance on the progress with Tower 11 (hotel services) and supported its plans for the future.

**mHabitat:**

- received an overarching three-year 2020/23 strategy for mHabitat and a more detailed business plan for 2020/21
- received a follow up report from mHabitat and was assured that good progress was being made as per the business plan despite Covid-19 constraints.

**Business Continuity:**

- reviewed the Trust's Emergency Preparedness, Resilience and Response (EPRR) Annual Report which covered the period September 2018 to March 2020
- reviewed the preparations for the end of the EU Exit transition period.

**8 Conclusion**

The Chair of the Finance and Performance Committee would like to assure the Board of Directors that the Finance and Performance Committee has fulfilled its Terms of Reference during 2020/21 and has provided assurance to it in respect of financial governance focusing on areas including: the financial data; the financial strategy; the procurement strategy; income contracts; the information technology and information governance strategies; the capital programme; estates strategy; business planning and growth opportunities; emergency planning and resilience, and the initiation of performance reporting structures and the governance supporting these.

It has added value by maintaining an open and professional relationship with officers of the Trust and has carried out its work diligently; discussed issues openly and robustly; and kept the Board of Directors apprised of any possible issues or risks.

Members of the Finance and Performance Committee would like to thank all those who have responded to its requests during the year and who have supported it in carrying out its duties.

April 2021

**Sue White**

Chair of the Finance and Performance Committee

