

# Finance Business and Investment Committee (FBIC) Assurance Report to the Board of Directors

From meeting on 16 September 2019

## Issues where FBIC recommends attention at Board

The Committee considered a deep dive report which returned to the risks to the Trust stemming from the preponderance of older staff in some key employment categories, notably band five inpatient and district nurses, of whom 33% are over 50, and consultants. It noted the full range of responses at local, Integrated Care System (ICS), and national levels, but it was clear that risks to staffing continuity remained.

It also noted that a Medical Workforce Staffing Group had been established and that this group was considering the age profile and turnover of medical staff, as well as a range of other recruitment, retention and deployment issues. It agreed that the group should be asked to update the committee in early 2020 on the issues it was addressing.

The Committee welcomed a revised dashboard which included estates and facilities and informatics metrics agreed further summary level amendments to incorporate underlying RAG as well as trend RAG indicators from October. From the September reporting period smoking tally reporting was being captured and would be reflected on the Estates and Facilities (fire safety) section.

It heard that, although the month four financial position was slightly better than the planned profile, the position had deteriorated in-month and as at month five a number of key expenditure areas were now causing significant concern. These had potential to impede achievement of the 2019/20 control total and to impact the Trust's underlying position, requiring additional attention - including adult acute inpatients, older peoples' inpatients, ATU, Low Secure and out of area placements. Board will have the month five position reported in its dashboard. An MH Financial Recovery Group had been established to progress actions. This will report to FBIC via the Sustainability Board in future cycles. The Committee noted the productive discussions that were now being held with the Clinical Commissioning Groups in relation to application of Mental Health Investment uplifts within the Trust's 2019/20 and 2020/21 and potential to support core acute inpatient pressures.

It was briefed on the emerging national and ICS contexts for setting the Trust's business plan for 2020/21 and beyond via a systems five-year Long Term Plan (with 2020/21 being year two). It was evident that much of the financial framework remains to be determined, but it already seems clear that the absolute and relative positions, and the ambitions and strategies, of other organisations at ICS level are likely to have significant impacts on our own control framework and plans. Control Totals had been discussed at the West Yorkshire and Harrogate ICS Finance Directors forum and were expected to be communicated during that week. Individual organisation Control Totals would be issued and comprise the ICS aggregate Control Total. We discussed the need to make sure that our own circumstances are clearly set out in these considerations.

We went on to approve the series of business planning sessions that begins on 23 September and agreed to receive more detailed plan updates and an operational plan timetable at the October FBIC.

It was briefed on the satisfactory outcome of discussions over the handling of agenda for change and pension costs in the proposed extension of the Wakefield 0-19 contract. This is now recommended to Board for ratification.

It considered progress on developing a new expression of the Trust's Business Development and Innovation Strategy. Much progress has been made over recent months, and the long-awaited Board development session on the issue is now confirmed for 31 October 2019.

### **Issues where FBIC can provide assurance to Board**

The Committee also considered, the following:

- the draft People Development Strategy, which was recommended as a strong format for consideration by Board
- the action plan arising from the internal audit review of IM&T processes relating to starters and leavers, which the committee considered to be an appropriate set of responses
- an update resolving some dilemmas relating to the accounting for procurement savings, and indicating positive progress against the quarter one 2019/20
- procurement CIP
- a revised set of terms of reference, which are recommended for board sign-off after some further amendments proposed by FBIC.

### **Terms of Reference**

Refreshed terms of reference for the Committee were presented. The main revisions were:

- document updated to use the template within the Care Trust Integrated Governance Guide;
- governor observers – this section has been added to outline the purpose of
- governors observing Board sub-committee meetings;
- deputies – only Board members are members of Board sub-committees, information on member deputies has been added to strengthen understanding in this area;
- assurance and escalation reporting – to support good practice outlined in the Care Trust Integrated Governance Guide a section on assurance and escalation reporting has been included;
- guiding principles – has been added to support all attendees acting in accordance with the Trust values;
- duties – section expanded to include delivery against the: Workforce; Informatics; Procurement; Estates strategies;
- relationship with other groups and committees – has been added that articulates
- visually the formal reporting arrangements in the Trust's meeting structure;

- duties of the Chair – has been expanded to make it clearer;
- review of terms of reference and effectiveness; to support good practice outlined in the Care Trust Integrated Governance Guide this section has been added to set out the expectations within this area to uphold good governance practices; and
- schedule of deputies – included.

These amendments are highlighted in red.

The Committee approved the terms of reference, subject to minor amendments being made. They are presented to the Board of Directors to be ratified.

**Rob Vincent**  
**Non-executive Director**  
**Senior Independent Director**  
**Finance Business and Investment Committee Chair**

## Finance Business and Investment Committee

### Terms of Reference

#### 1 Name of group / committee

Finance Business and Investment Committee (Committee).

#### 2 Composition of the Committee

##### Members: full rights

Title	Role in the group / committee
Non-executive Director	Committee Chair
Non-executive Director	Additional non-executive member
Non-executive Director	Additional non-executive member
Chief Executive	Accountable Officer for the Trust.
Director of Finance, Contracting and Facilities	Executive lead for financial resources within the Trust. Assurance and escalation provider to the Finance and Business and Investment Committee.
Chief Operating Officer	Executive lead with day-to-day responsibility for operational delivery of services. Assurance and escalation provider to the Finance and Business and Investment Committee.

Director of Human Resources and Organisational Development	Executive lead for workforce development. Assurance and escalation provider to the Finance and Business and Investment Committee. Attendance at meetings will be dependent on the agenda items being discussed.
Chief Information Officer	Executive lead for informatics. Assurance and escalation provider to the Finance and Business and Investment Committee. Attendance at meetings will be dependent on the agenda items being discussed.

The Deputy Director of Finance will attend all meetings. In addition to anyone listed above, the Chair of the Committee may also request individuals to attend on an ad-hoc basis to provide advice and support for specific items from its work plan when these are discussed in the meetings.

### 2.1 Governor Observers

The Committee welcomes and encourages governors to attend its meetings. The role of a governor at Board sub-committee meetings is to observe the work of the Committee. The governor observes Board sub-committee meetings in order to get a better understanding of the work of the Trust and to observe non-executive directors appropriately challenging the executive directors for the operational performance of the Trust. At the meeting the governor observer(s) will be required to declare any interest they may have in respect of any of the items to be discussed.

## 3 Quoracy

**Number:** The minimum number of members for a meeting to be quorate is three, two of whom must be non-executive directors. Attendees do not count towards quoracy.

If the Chair is unable to attend the meeting, and if otherwise quorate, the meeting will be chaired by one of the other non-executive directors.

**Deputies:** Where appropriate members may nominate deputies to represent them at a meeting. **Deputies do not count towards the calculation of whether the meeting is quorate except if the deputy is representing the member under formal “acting up” arrangements. A schedule of deputies, attached at appendix 1a, should be reviewed at least annually to ensure adequate cover exists.**

**Non-quorate meeting:** Non-quorate meetings may go ahead unless the Chair decides not to proceed. Any decisions made by the non-quorate meeting must be reviewed at the next quorate meeting.

## 4 Meetings of the committee

**Frequency:** Six weekly to deliver eight Committee meetings per year.

**Urgent meeting:** Any member of the Committee may request an urgent meeting.

**Minutes:** The Committee Secretariat will be provided by the Executive Support Team.

**Assurance and Escalation Reporting:** The Chair of the Committee will provide an update of key issues arising from the meeting to the next Board of Directors meeting.

## 5 Authority

**Establishment:** The Committee is a sub-committee of the Board of Directors and has been formally established by the Board.

**Powers:** Its powers, in addition to the powers vested in the executive members in their own right, are detailed in the Trust's Scheme of Delegation.

**Cessation:** The Committee is a standing Board sub-committee in that its responsibilities and purpose are not time limited. However, the Committee has a responsibility to review its effectiveness annually.

## 6 Role of the committee

### 6.1 Purpose of the committee

The purpose of the Finance Business and Investment Committee is to support the Board's strategic direction and stewardship of the Trust's finances, investments and sustainability.

In particular, the Committee is to provide the Board with assurance concerning aspects of finance relating to the provision of care and services in support of getting the best clinical outcomes and experience for service users and carers. It will seek assurance that there is adequate organisational oversight of the financial, workforce, estates (including health and safety, and environmental), and informatics risks to the Trust's ability to achieve its strategic objectives.

### 6.2 Guiding principles for members (and attendees) when carrying out the duties of the Committee

In carrying out their duties members of the Committee and any attendees must ensure that they act in accordance with the values of the Trust, which are:

- we care
- we listen
- we deliver.

### 6.3 Duties of the Committee

The Committee's key objectives are to:

- monitor financial performance of the Trust against plan and provide
- assurance to the Board on the delivery of key financial targets;
- identify the key financial risks and drivers to achievement of financial targets, investigate significant variances and report any proposed
- remedial action to the Board as necessary;
- receive assurance on delivery of the Trust's workforce; estates (including health and safety, and environmental); and informatics strategies; and
- provide an oversight of the development and implementation of financial systems across the Trust.

The Committee will:

#### 1) Finance

- scrutinise the Trust's in-year financial performance, delivery of Cost Improvement Plans and other key financial targets;
- review the annual budget, regulator targets, and regulator information requests prior to recommendation to the Board of Directors;
- review the development of the Trust's five-year financial plan, ensuring it is aligned with clinical, estates, workforce, informatics and other business strategies;
- review development and implementations of the business strategies that drive the financial planning and performance of the organisation;
- maintain an oversight of, and receive assurances on the robustness of the Trust's key income sources and contractual safeguards;
- review internal and external corporate benchmarking reports;
- consider and recommend to Board proposals for investment in commercial business cases; and
- review the process for determining capital expenditure projects and their monitoring, including post-implementation reviews.

#### 2) Workforce issues affecting the Trust's financial strategy

- receive assurance on progress made against the Workforce Strategy;
- consider the control and mitigation of workforce related risks and provide assurance to the Board that such risks are effectively controlled and managed;
- receive reports on the delivery of other Trust strategies and initiatives that interlink with the workforce and organisational development workstream;
- receive assurance on statutory workforce standards such as diversity, equality, and agenda for change; and
- receive assurance on progress made on talent management and workforce transformation to support delivery of the 'Best Place to Work' campaign.

#### 3) Procurement issues affecting the Trust's financial strategy

- receiving assurance that the Trust's plan is increasing efficiencies; and
- review operational reports to monitor compliance with effective procurement procedures and policies.

- 4) Estate issues (including environmental and health and safety) affecting the Trust's financial strategy
  - receiving assurance on delivery of the Trust's estate's strategy;
  - receiving assurance on statutory health and safety requirements; and
  - reports on the Trust's proactive approach to health and safety management, and environmental issues.
  
- 5) Informatic issues affecting the Trust's financial strategy
  - receive progress updates on delivery of the Trust's digital strategy;
  - receive assurance on the Trust's preparedness to support appropriate cyber security; and
  - assurance against statutory data requirements and compliance with requirements set by the Information Commissioners Office.
  
- 6) System-wide partnership working
  - As required, receive assurance on the governance arrangements that support system-wide partnership working.

**7 Relationships with other groups and committees**



The Committee does not have any sub-committees. It is linked to the Trust’s operational groups as an assurance receiver and provides a route of escalation to the Board of Directors.

## **8 Duties of the Chair**

The Chair of the Committee shall be responsible for:

- agreeing the agenda in partnership with the Director of Finance, Contracting and Facilities;
- directing the meeting ensuring it operates in accordance with the Trust's values whilst ensuring all attendees have an opportunity to contribute to the discussion;
- giving direction to the secretariat and checking the draft minutes;
- ensuring the agenda is balanced and discussion is productive; and
- ensuring sufficient information is presented to the Board of Directors in respect of the work of the Committee.

## **9 Reviews of the terms of reference and effectiveness**

The terms of reference shall be reviewed by the Committee at least annually and be presented to the Board of Directors for ratification.

It will be the responsibility of the Chair of the Committee to ensure that it carries out an assessment of effectiveness annually, and ensure the outcome is reported to the Board of Directors along with any remedial action to address weaknesses. The Chair will also be responsible for ensuring that the actions to address any areas of weakness are completed.

## Schedule of deputies

It may not be necessary or appropriate for all members (or attendees) to have a deputy attend in their absence. If this is the case please state below "no deputy required".

<b>Full member (by job title)</b>	<b>Deputy (by job title)</b>
Non-executive Director Chair	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Chief Executive	Nominated Executive Director
Director of Finance Contracting and Facilities	Deputy Director of Finance
Chief Operating Officer	General Manager
Director of Human Resources and Organisational Development	Deputy Director of Human Resources
Chief Information Officer	Head of Informatics

<b>Attendee (by job title)</b>	<b>Deputy (by job title)</b>
Deputy Director of Finance	Finance Manager