

Finance, Business and Investment Committee

Annual report

Financial Year 1 April 2019 to 31 March 2020

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1 Period covered by the report

This report covers the work of the Finance, Business and Investment Committee for the financial year 1 April 2019 to 31 March 2020.

2 Introduction

The Finance, Business and Investment Committee (Committee) has been formally established by the Board of Directors as one of its sub-committees. It is authorised to seek 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 workstreams; the capital programme; estates workstream; business planning and growth opportunities; and elements of workforce topics that are associated with financial management.

The Committee will monitor and report to the Board on the effectiveness of the supporting systems and processes. 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 use of the Trust's estates (including health and safety, and environmental); procurement; and informatics strategies
- receive assurance on monitoring and management of workforce metrics associated with financial management
- provide an oversight of the development and implementation of financial systems across the Trust.

This report covers the work the Committee has undertaken at the formal meetings held during 2019/20. It seeks to assure the Board on the work it has carried out and the assurances it has received, and to demonstrate that it has operated within its Terms of Reference.

The Committee has responded as a result of the COVID-19 pandemic to ensure that business continuity remains as appropriate for the Committee. Formal reports on the Trust's business continuity plans for all corporate governance meetings have been presented to the Board of Directors. The Board formally agreed to establish standing items on each corporate governance meeting for: COVID-19 Update; and Management of Deferred Items.

Secretariat support is provided by the Executive Support Team, who work with the Deputy Director of Finance in relation to agenda planning; minutes; managing cumulative action logs; and general meeting support.

Development

The Trust supports continuous improvement in line with the Care Trust Way model and identified external best practice. For the Committee this has involved frequent reviews of reports presented, with members providing feedback to shape future iterations of the reports. During 2018/19 Deloitte undertook an external Well Led review of the Trust. The review featured the Board and supporting sub-committee meetings and resulted in a series of recommendations that have been continually progressed during 2019/20. During quarter four of 2019/20 Internal Audit undertook a Governance Review of all Board sub-committees.

Up until the formal establishment of the Workforce and Equality Committee on 28 November 2019, the majority of workforce topics for consideration by the Board had been scheduled to the Finance, Business and Investment Committee. After the new Board sub-committee was established it was agreed that solely workforce topics that are interlinked to financial management would be presented to the Finance, Business and Investment Committee.

Assurance

The Committee receives assurance from the Executive Director members of the Committee and from the subject matter experts who attend the meetings as required dependant on the agenda items being discussed.

Assurance is provided through written reports, both regular and bespoke, through critical challenge by members of the Committee and by members seeking to validate the information provided through wider knowledge of the Trust; specialist areas of expertise; attending Board of Directors, and Council of Governors meetings; visiting services, talking to staff, and observing operational meetings at the Trust as required.

The Committee is assured that it has the right 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 which details those key controls in place to ensure that the risks to achieving the strategic objectives are being well managed. The BAF lists those committees that are responsible for receiving assurance in respect of the effectiveness of those controls. The Committee will be asked to note, in particular, those where it is listed as an *assurance receiver* to ensure that it had received sufficient assurance through the reports that come to the Committee or to commission further information where there was a lack of assurance (actual or perceived). These are:

- SO 1.2: If we fail to recognise and adopt advances in digital technology in the design and support of business and clinical services, then our ability to remain competitive, sustainable and deliver quality, safe and effective care will be affected.

- SO 3.3 (shared with the Workforce and Equality Committee): If we fail to facilitate a dynamic culture of innovation, then we are unlikely to meet the challenges which threaten our position in the marketplace.
- SO 5.1: If we do not meet financial objectives, then we will not be able to provide sustainable services.
- SO 5.2: If we do not collaborate to deliver system-wide efficiencies, then our financial position (and that of the Place and Health and Care Partnerships – place and system) will be undermined.

The Committee reviews the BAF at each meeting prior to it being presented to the Board. Additionally, the agenda has been modified so that the BAF is appraised prior to other agenda items so these items can be viewed in the context of the BAF,

To further enhance the Trust's quality governance assurance workstream, continuous improvement work has taken place. A revised Dashboard has been in operation since late 2019 for the Committee as part of an internal pilot. The Dashboard is now designed to accord with statistical process control measures thereby aligning with the Care Trust Way (as our quality improvement [QI] methodology). To reduce the risk of data saturation and enhance attention to detail, exception or outlier data are highlighted; and an easy to follow colour-coded legend allow readers to quickly ascertain which data have improved, deteriorated, require a watching brief or are in a steady state. Additionally, accountabilities for each item of activity/data are made explicit. Narrative data accompanies quantitative data to identify risks, challenges, and actions.

The individual high-level Dashboards, tailored to each Board sub-committee, collectively form a Data Pack that is presented to the Board of Directors. A key aim is for the Data Pack to inform strategic decision making by providing clarity on the impact of operational decisions in the context of ongoing development of the Trust's QI methodology. The revised system was approved by the Board of Directors on 26 March 2020 and has subsequently been rolled out throughout the remaining Board sub-committees.

The Chair of the Committee provides an update report to Council of Governor meetings held in public on the activities of the Committee, including areas where assurance had been received and areas requiring further development. This provides the Governors will an opportunity to hear more on the work of the Trust and see the Non-Executive Director fulfilling their role.

3 Terms of Reference

During Autumn 2019 the Terms of Reference for the Committee were presented to members for approval. The document has been updated to use the template within the Trust's Care Trust Integrated Governance Guide.

The approved amendments to the Committee terms of reference were:

- 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.
- Schedule of deputies – included.

Following approval by the Committee of the revised Terms of Reference, they were subsequently ratified by the Board of Directors on 26 September 2019.

The Committee discussed and agreed an amendment to their Terms of Reference in December 2019 to reflect that the Costing Transformation programme (CTP) to report through the Senior Leadership Team. The revised Terms of Reference were ratified by the Board on 19 December 2019.

At the Board meeting on 30 April 2020, the Board agreed minor revisions being made to the Terms of Reference documents for: Audit Committee; Finance, Business and Investment Committee; Mental Health Legislation Committee; Quality and Safety Committee. This was as a due to the establishment of the Workforce and Equality Committee being formally established and the requirement to align all of the Board sub-committee terms of reference documents accordingly.

4 Meetings of the Committee

In 2019/20, the Committee met independently nine times, one of which was an extraordinary meeting. The dates of the meetings are as follows:

- 8 May 2019
- 17 June 2019
- 22 July 2019
- 16 September 2019
- 28 October 2019

- 9 December 2019
- 21 January 2020
- 19 February 2020 (extraordinary)
- 23 March 2020.

The draft agenda for each meeting is presented to the Chair of the Committee; and the Director of Finance, Contracting and Facilities by the Deputy Director of Finance and the Committee Secretariat. The Deputy Director of Finance attends the Capital Planning and Investment Group, and the Sustainability Board. Whilst both are operational meetings, with the Sustainability Board formally reporting into the Senior Leadership Team meeting, they are also providers of assurance and escalation to the Committee.

Paperwork for the Committee is circulated seven calendar days prior to the meeting taking place. All actions pertaining to the meetings of the Committee are tracked on a cumulative action log and presented to each meeting for assurance with progress made.

5 Membership of the Committee and attendance at meetings

Membership of the Committee is made up of three Non-Executive Directors; Chief Executive; Director of Finance, Contracting and Facilities; Chief Operating Officer; Director of Human Resources and Organisational Development; and the Chief Information Officer. The Deputy Director of Finance; and the Corporate Governance Manager and Deputy Trust Board Secretary attend each meeting.

The Committee is chaired by a Non-Executive Director (NED), Rob Vincent until 29 February 2020 when he reached the end of his term of office.

Simon Lewis; David Banks (until November 2019); and Andrew Chang ((from December 2019 who was appointed as a new Non-Executive Director) are the other regular NED members of this Committee. Should the NED Chair be unable to chair the meeting this role will fall to another NED. Because of the nature of the position that they hold, all Executive and Non-Executive Directors as Board members can attend any Board sub-committee. Upon doing so they will assume full member rights and responsibilities. The inclusion of Workforce and Equality Committee (Simon Lewis) and Audit Committee (Andrew Chang) Chairs allow horizontal communication across Board sub-committees.

Subject area experts are also invited to attend the meetings as appropriate, to provide expertise and knowledge on the areas that they are responsible for. On these occasions, they are attendees and do not count towards membership of the meetings as outlined in the Terms of Reference. During the financial year the Special Advisor, Sarah Jones, was a regular attendee of the Committee and provided expert advice on business development and innovation.

The Trust also invites Governors to observe Board sub-committee meetings. This opportunity allows Governors to observe the work of the Committee, rather than to be part of its work as they are not part of the formal membership of the Committee. Governors observe 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 about the operational performance of the Trust.

The table below show attendance for substantive members of the committee for the meetings that took place during 2019/20.

Attendance at 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
- * stipulates the Chair of the meeting

Name	8 May 2019	17 June 2019	22 July 2019	16 September 2019	28 October 2019	9 December 2019	21 January 2020	19 February 2020 (extraordinary)	23 March 2020
Rob Vincent Chair of the Committee (Non-Executive Director)	✓*	✓*	✓*	✓*	✓*	✓*	✓*	✓*	■
Andrew Chang (Non-Executive Director)	■	■	■	■	■	■	✓	✓	✓*
David Banks (Non-Executive Director)	✓	✓	✓	✓	✓	■	■	■	■
Cathy Elliott (Chair of the Trust)	■	■	■	■	■	■	■	■	✓
Simon Lewis (Non-Executive Director)	✓	✓	-	✓	✓	✓	-	✓	-

Brent Kilmurray (Chief Executive)	✓	✓	✓	✓	-	✓	-	✓	✓
Sandra Knight (Director of Human Resources and Organisational Development)	✓	✓	✓	✓	✓	✓	✓	✓	-
Liz Romaniak (Director of Finance, Contracting and Facilities)	✓	✓	✓	✓	✓	✓	✓	✓	-
Tim Rycroft (Chief Information Officer)			✓	✓	✓	✓	✓	✓	-
Patrick Scott (Chief Operating Officer)	✓	✓	✓	-	✓	✓	✓	-	-
Sarah Jones (Special Advisor)	✓	✓	-	-	-	✓	-	-	-

Attendance at Committee meetings by formal attendees

Name	8 May 2019	17 June 2019	22 July 2019	16 September 2019	28 October 2019	9 December 2019	21 January 2020	19 February 2020 (extraordinary)	23 March 2020
Simon Adamson (Deputy Director of Estates and Facilities)					✓				
Karen Byard (Maintenance and Fire Safety Manager)		✓							
Delphine Fitouri		✓							

(Head of Informatics)									
David Gibson (Facilities Business and Governance Manager)		✓							
Joanne Gott (Strategic Programme Lead)	✓								
Fran Limbert (Corporate Governance Manager / Deputy Trust Board Secretary)	-	-	-	✓	✓	-	✓	-	✓
Tom Rhodes (Fire Officer)		✓							
Claire Risdon (Deputy Director of Finance)	✓	✓	✓	✓	✓	✓	✓	✓	-
Joanne Somers (Education and Training Manager)	✓					✓			
Nicola Wilson (Workforce Performance and Planning Manager)					✓				
Lisa Wright (Head of Equality)	✓								

Key:

- ✓ shows attendance
- shows when apologies had been given for a particular meeting
- stipulates when the individual was not eligible to attend the meeting

The Committee also extends an invitation to Governors to observe its business. During 2019/20 the following Governors attended main business meetings in the capacity of observer.

Name	8 May 2019	17 June 2019	22 July 2019	16 September 2019	28 October 2019	9 December 2019	21 January 2020	19 February 2020 (extraordinary)	23 March 2020
Dr Sid Brown (Public: Shipley)	✓	-	-	-	-	-	-	-	-
Nicky Green (Public: Keighley)	-	-	-	-	-	-	✓	-	-

Key:

✓ shows attendance

- shows when apologies had been given for a particular meeting

6 Reports made to the Board of Directors

The Chair of the Committee makes an assurance and escalation report regarding the most recent meeting of the Committee to the next available Board of Directors' meeting. The report has been redesigned by the Corporate Governance Manager and Deputy Trust Board Secretary to improve clarity and facilitate standardisation across escalation reports to Board. This report seeks to assure the Board on the main items discussed by the Committee and, should it be necessary, 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.

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.

The below table outlines the date that the assurance and escalation report was presented by the Chair of the Committee to the Board of Directors' meeting.

Date of meeting	Assurance and escalation report to Board by Chair
8 May 2019	30 May 2019
17 June 2019	27 June 2019
22 July 2019	25 July 2019
16 September 2019	26 September 2019
28 October 2019	31 October 2019
9 December 2019	19 December 2019
21 January 2020	30 January 2020
23 March 2020	26 March 2020

7 The work of the Committee during the year 1 April 2019 until 31 March 2020

The Chair of the Committee confirms that during 2019/20 the Committee has carried out its role in accordance with its terms of reference.

Further details of all these areas of work can be found in the minutes and papers of the Committee.

A high-level presentation of areas of work on which the Committee has received assurance and during 2019/20 are as follows:

Assurance on:

- Financial outturn for 2019/20
- Quality Improvement Assessments for Cost Improvement Programmes supporting framework
- Monitoring of the financial position and associated risks to delivery
- Reference Cost submission to NHS Improvement
- Development of the People Development Strategy
- Mixed Waste tender
- Development of the Estates Strategy
- Best utilising options for Trust estate
- Progression made on e-rostering
- Adjustments to the business model for the Pharmacy Service
- Presentation of a draft financial plan to support operational activity in 2020/21
- Discussion that had taken place to ensure the Trust maintained solid financial governance due to the COVID-19 pandemic, including revision of financial and operational plans in line with national guidance.

Reports on:

- Progress made against the Capital Plan
- Apprenticeship Levy
- Progress made and risk mitigation on the financial plan and the system financial position, including preparations for the operational plan
- Bed pressures and demand and out of area placements
- Microsoft Licencing
- Annual Report on ligature assessments, including regular updates on developments to anti-ligature works as part of the continuous improvement journey for that work
- Development of the Estates Strategy
- Implementation of IFRS16 accounting standard
- Procurement updates including the development of the Procurement Strategy
- Fire Safety; and Health and Safety
- Business development and innovation
- Business planning events at the Trust
- Continuous professional development internal programme
- Progress made against the five year operational plan
- Work of the Diagonal Slice Group
- Pilots for progressing talent management developments.

Presentation of:

- Development and implementation of the Medical Functional Model
- Findings from relevant Internal Audit reports
- Market development reports
- Progress made on the development of a digital strategy
- Estates metrics within the Dashboard
- Informatics metrics within the Dashboard.

8 Conclusion

The Chair of the Committee would like to assure the Board that the Committee worked hard to fulfil its Terms of Reference during 2019/20. The Board is asked to recognise how the Committee supports the ongoing continuous improvement journey both at the Trust and on its own effectiveness.

The Committee adds value by maintaining an open and professional relationship with officers of the Trust and it has carried out its work diligently; discussed issues openly and robustly; and kept the Board of Directors apprised of any possible issues, risks, or learning. Organisational learning drives this Committee and is one of its core values; further improvements will be made to advance this critical aspect of quality and safety.

Members of the 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.

May 2020

Andrew Change
Non-Executive Director
And Vice-Chair of the Committee

Fran Limbert
Corporate Governance Manager
Committee Secretariat

Claire Risdon
Deputy Director of Finance