

Finance, Business and Investment Committee

Annual report

Financial Year 1 April 2020 to 31 March 2021

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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 2020 to 31 March 2021.

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;
- receive assurance on the Trusts capital programme including oversight of major capital developments;
- 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 the financial implications of provider collaborative arrangements;
- receive assurance on use of the Trust's estates (including health and safety, and environmental); procurement; and informatics strategies;
- provide an oversight of the Trusts innovation and growth strategy;
- receive assurance on monitoring and management of workforce metrics associated with financial management; and
- provide an oversight for the Trust's technology and digital strategy including assurance on significant technology contract renewals;
- 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 2020/21. 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

Up until the formal establishment of the Workforce and Equality Committee (WEC) 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 workforce topics presented to the WEC that have financial implications 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 is 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

The Trust Board meeting in April 2020 considered the standardisation of terms of reference documents for each of the Board sub-committees to ensure consistency. The Board approved the three proposed revisions and to which Board sub-committee that revisions would be made. The revisions included recognition of: the establishment of the Workforce and Equality Committee; system and partnership work undertaken by the Trust; and the Trust commitment to continuous improvement in support of the Care Trust Way methodology.

4 Meetings of the Committee

In 2020/21, the Committee met independently five times. The dates of the meetings are as follows:

- 26 May 2020
- 20 July 2020
- 21 September 2020
- 16 November 2020
- 22 March 2021

Due to the changing nature of the financial regime during 2020/21, timescales for approving the operational plan did not align with formal meetings. In support of formally approving the plans during the year Trust Board approved delegated authority for the Trust Chair, FBIC Chair, Chief Executive and Director of Finance, Contracting and Estates to approve plans outside of formal meetings. The dates of the meetings are as follows:

- 30 September 2020 (approval of initial Half 2 plan)
- 22 October 2020 (approval of final Half 2 plan)

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 SLT System and Trust Strategy which includes the sustainability agenda. Whilst both are operational meetings 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), following Rob Vincent's departure in February 2020, Andrew Chang was Acting Chair until Maz Ahmed took on the role from July 2020.

Maz Ahmed (from May 2020, and Chair from July 2020); Zulfi Hussain (from October 2020); Simon Lewis (up to October 2020); and Andrew Chang 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. Maz Ahmed is a member of both the Finance, Business and Investment Committee and the Audit Committee to strengthen the oversight and link on financial matters between the 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.

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 2020/21.

Attendance at Committee meetings by substantive members

Key:

- ✓ shows attendance
- stipulates when the individual was not eligible to attend the meeting
- * stipulates the Chair of the meeting

Name	26-May-20	20-Jul-20	21-Sep-20	16-Nov-20	22-Mar-21
Maz Ahmed Chair of the Committee (Non-Executive Director)	✓	✓*	✓*	✓*	✓*
Andrew Chang (Non-Executive Director)	✓*	✓	✓	✓	✓
Simon Lewis (Non-Executive Director)	✓	✓	✓	■	■
Zulfi Hussain (Non-Executive Director)	■	■	■	■	■
Therese Patten (Chief Executive)	■	■	✓	✓	✓
Cathy Elliott (Chair of Trust)	■	✓	■	■	■
Liz Romaniak (Director of Finance, Contracting and Facilities)	✓	✓	✓	■	■
Mike Woodhead (Director of Finance, Contracting and Estates)	■	■	■	■	✓

Name	26-May-20	20-Jul-20	21-Sep-20	16-Nov-20	22-Mar-21
Claire Risdon (Interim Director of Finance)				✓	
Sandra Knight (Director of Human Resources and Organisational Development)	✓	✓	✓	✓	✓
Tim Rycroft (Chief Information Officer)	✓	✓	✓	✓	✓
Patrick Scott (Chief Operating Officer)	✓	✓	✓	✓	✓
Phil Hubbard (Director of Nursing, Professions and Care Standards)		✓	✓		
Paul Hogg (Director of Corporate Affairs)	✓				

Attendance at Committee meetings by formal attendees

Name	26-May-20	20-Jul-20	21-Sep-20	16-Nov-20	22-Mar-21
Fran Limbert (Corporate Governance Manager and Deputy Trust Board Secretary)	✓	✓	✓	✓	✓
Claire Risdon (Deputy Director of Finance)	✓	✓	✓		✓
Yasmin Ahmed (Interim Deputy Director of Finance)				✓	
Simon Adamson (Deputy Director of Estates)		✓		✓	
Jas Sohal (Chief Pharmacist)		✓			
Joanne Sommers (Education and Training Manager)		✓			
Sarah Jones - Observing (NeXT Director Programme)			✓		
Farhan Rafiq (Head of Business Development)			✓		
Emma Clarke (Energy, Waste and Sustainability Manager)				✓	
Heather Powell - Observing (Inspector, Care Quality Commission)	✓				
Mike Woodhead (incoming Director of Finance, Contracting and Estates)				✓	

The Committee also extends an invitation to Governors to observe its business. During 2020/21 the following Governors attended main business meetings in the capacity of observer.

Name	26-May-20	20-Jul-20	21-Sep-20	16-Nov-20	22-Mar-21
Colin Perry - Observing (Governor: Public Bradford West)	✓	✓			
Pamela Shaw - Observing (Governor: Staff Clinical)			✓		

Key:

✓ shows attendance

■ shows when the individual was not in attendance or not eligible to attend the meeting

6 Reports made to the Board of Directors

The Chair of the Committee makes an Alert, Advise, Assure escalation report regarding the most recent meeting of the Committee to the next available Board of Directors' meeting and Council of Governors 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
26 May 2020	28 May 2020
20 June 2020	25 June 2020
21 September 2020	24 September 2020
16 November 2020	26 November 2020
22 March 2021	25 March 2021 (verbal)

7 The work of the Committee during the year 1 April 2020 until 31 March 2021

The Committee reviewed its work programme throughout 2020/21 to prioritise areas of work and free up capacity during the pandemic, with deferred items being managed and agreed at each Committee meeting. The Chair of the Committee confirms that during 2020/21 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 2020/21 are as follows:

Assurance on:

- Financial regime for 2020/21 and associated financial plan (Revenue and Capital)
- Financial outturn for 2020/21 including COVID cost recovery arrangements and NHSI quarterly returns
- Sustainability Board update
- Business Cases: Lynfield Mount Redevelopment; Anti-ligature Phase 2; Electronic Prescribing
- Internal Audit reports relevant to the Committee
- Board recruitment and appointments – financial position
- Business Planning process for 2021/22
- Draft Financial Plan for 2021/22

Reports and presentation on:

- COVID-19 update received at each meeting
- Cyber security awareness
- Digital strategy programme
- Microsoft enterprise agreement
- Internal Communications review
- Proposal to dispose of Ingrow Centre
- Update on the Pharmacy provision
- Annual Report on ligature assessments, including regular updates on developments to anti-ligature works as part of the continuous improvement journey for that work
- Apprenticeship update (1st bi-annual)
- Fire Safety; and Health and Safety Annual Reports
- West Yorkshire Lead Provider Collaborative arrangements
- Mobile Phone contract arrangements
- Innovation and Growth plan 2020-2022
- Intellectual Property Policy
- Estates Strategy Annual progress update
- Our Green Plan: Greener Together Report
- Contracts and Service Level Agreement Annual Report 2020/21

Agreed deferral of items:

- E-rostering and Bank and Agency Report
- Apprenticeship Levy update (2nd bi-annual)
- 0-19 Children's Service – financial and quality implications
- Procurement Strategy
- Review of Procurement Services
- Reference Cost submission

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 2020/21, managing the priority areas for consideration and agreeing items for deferral. 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 2021

Maz Ahmed
Non-Executive Director
And Chair of the Committee

Claire Risdon
Deputy Director of Finance