

Board of Directors Meeting in Public - Cover Sheet

Subject:	Finance Committee Annual Report	Date: 6 th May 2021		
Prepared By:	Paul Robinson, Chief Financial Officer			
Approved By:	Neal Gossage, Non Executive Director and Chair of Finance Committee			
Presented By:	Paul Robinson, Chief Financial Officer			
Purpose				
To provide assurances the Finance Committee is performing its responsibilities as set out within its Terms of Reference.			Approval	
			Assurance	✓
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
✓	✓	✓	✓	✓
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
	✓			
Risks/Issues				
Financial				
Patient Impact				
Staff Impact				
Services				
Reputational	The Annual Report is an element of overall Trust governance arrangements. Failure to apply agreed governance arrangements could result in significant reputational consequences.			
Committees/groups where this item has been presented before				
None				
Executive Summary				
<p>This report provides a description of the activities and assurance that the Finance Committee has carried out its obligations in accordance with its terms of reference and work programme for the 2020 calendar year. It provides assurances and synopsis on activity undertaken throughout the year and identifies areas for development.</p> <p>The time period is aligned to the annual governance timetable to enable consideration by the Audit & Assurance Committee and the Board of Directors, and to support the Annual Governance Statement.</p>				

Annual Report from the Finance Committee 2020

1. Summary

This report provides an overview of risk management activities undertaken throughout the Trust and a summary of the work undertaken within the Finance Committee activities from January to December 2020, for assurance that the Committee has carried out its obligations in accordance with its Terms of Reference and work programme for 2020.

The time period is aligned to the annual governance timetable to enable consideration by the Audit & Assurance Committee and the Board of Directors, and to support the Annual Governance Statement.

2. Background

The Finance Committee meets not less than 6 times a year and reports to the Board of Directors. Its Terms of Reference establish that its role is to conduct independent and objective reviews of financial and investment policy and performance issues.

The Committee's membership is set out below:

- Three Non-Executive Directors one of whom nominated as Chair and one as Vice Chair by the Board of Directors
- Chief Executive.
- Chief Financial Officer.
- Chief Operating Officer.
- Director of Culture & Improvement
- Associate Director of Estates & Facilities

Also in routine attendance:

- Deputy Chief Financial Officer
- Associate Director of Transformation
- Deputy Director Income & Performance
- Governor observer

Other Directors and Managers have attended meetings in accordance with the Committee work programme and/or in response to specific issues being identified.

3. Meetings

The Committee has held 10 meetings during the period covered by this report, 2 meetings being held as Extra-ordinary meetings as agreed by the Committee.

Attendance of core members (or a nominated deputy) at meetings during the period covered by this report is detailed below:

Non Executive Director Chair	10/10
------------------------------	-------

Non Executive Director Vice Chair	7/10
Non Executive Director	10/10
Chief Executive	8/10
Chief Financial Officer	10/10
Chief Operating Officer	8/10
Director of Culture & Improvement	6/10
Associate Director of Estates & Facilities	6/10

4. Work Programme

The Committee has received regular reports throughout the year in accordance with its agreed Annual Work Programme. A series of monthly reports are received from Committee members in respect of:

- Financial Performance
- Financial Improvement Plan
- PFI Governance
- ICS and NHSI Updates

The Committee has also received reports on the following specific matters:

- Annual Planning and Budgeting process and delivery
- NHIS quarterly performance
- Medicine Division Financial Performance
- Covid-19 Financial Planning and Governance
- Capital Plan
- Option Appraisal for Soft FM Services
- Strategic Objective 5 update
- Terms of reference review (January and April 2020)
- Oversight of Reference Cost submission
- Internal Audit Reports

5. Approvals

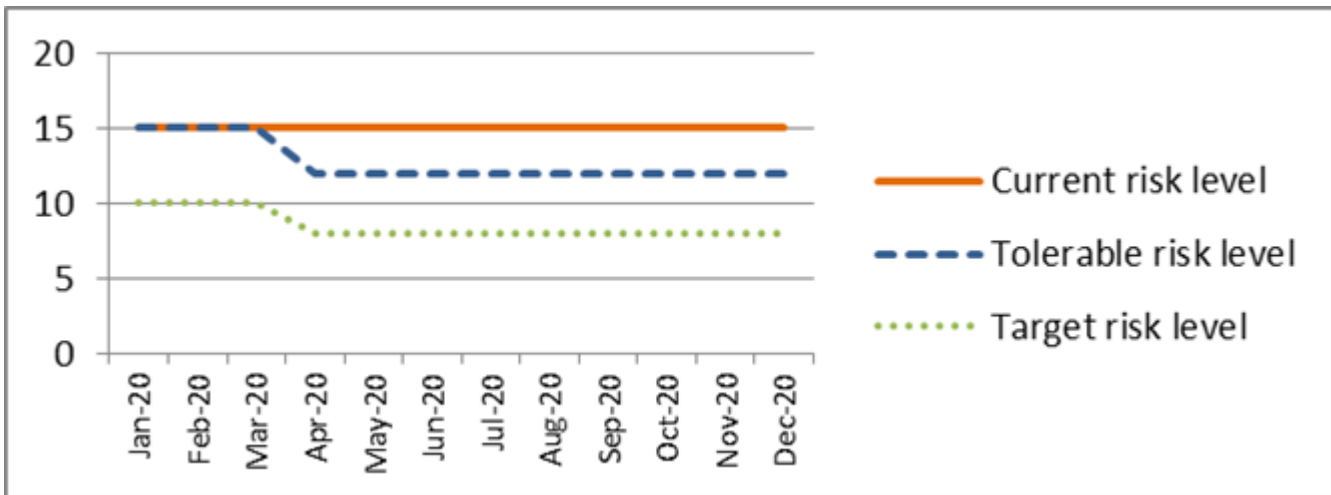
The Trust Scheme of Delegation describes the Committee has delegated authority from the Board of Directors to approve revenue and capital expenditure up to the value of £1m. The Governance process requires Finance Committee approval of all expenditure in excess of £250,000. Expenditure above the £1m threshold requires the final approval of the Board.

In accordance with this the Committee has considered and approved the following:

- Mobile CT – Targeted Lung Health Check Contract
- Fire remedial works at Mansfield Community Hospital
- Mitel Telephony Support
- Integrated Operating Theatres (Covid-19 approval)
- Mobile MRI Van provision
- ED expansion plan capital scheme
- Microbiology Managed Service Contract
- Theatres and Critical Care Outline Business Case

6. Board Assurance Framework

The Committee reviews BAF principle risk 4 (Failure to maintain financial sustainability) at each ordinary meeting. During the period covered by this report the risk score has remained unchanged at 15 -significant.



BAF principle risk 6 (Breakdown of strategic partnerships) was previously reviewed by Finance Committee, however, January 2020 Board workshop agreed to change the title of PR6 (to ‘Working more closely with local health and care partners does not fully deliver the required benefits’) and the Risk Committee became lead committee from April 2020.

7. Committee Effectiveness Review

The Committee carried out an Effectiveness Review which was reported in June 2020. The review was based upon the National Audit Office Committee Healthcheck and is to help review governance arrangements, check appropriate systems are in place and to identify areas for improvement

16 criteria were assessed and the Committee reported that each was fully met and evidence to support this was reported. No required actions were identified.

8. Matters for escalation

At the end of each Committee meeting items for escalation to the Board of Directors are identified. Throughout the year, at various points in time, these have included:

- Financial Planning and Budgeting Update
- Challenge to Medicine Division financial performance
- Contractual discussions
- Recommendation to approve annual planning submission
- Achievement of the control total
- Summary of the new financial regime and how that is being managed until end July
- Overview of reset, restoration and recovery, and potential effect on financial strategy going forward
- Uncertainty around new financial regime and effect of this on the BAF
- PFI negotiations progress update

- Changes to reference costs submission
- NHSI financial regime in place to September
- Appreciation of NHIS during Covid pandemic
- Insufficient Resource Envelopes and examination of Investment Plans
- M7-12 financial regime
- PRI governance and arrangements in respect of warning notices and ProjectCo
- Soft FM decision not to pursue market testing
- NHSI scrutiny on Phase 3 Plan submission which was not approved
- Expectation of Phase 4 Letter from NHSI and impact of this on the Trust's 2021/22 FIP plan
- PFI contract settlement arrangements
- Phase 3 Plan update
- Horizon Scanning summary of contract renewals

9. Conclusion

The Committee self-assessments of compliance with Terms of Reference, the review of effectiveness, the robust work programme and escalations to Board of Directors provide assurance that the Committee continues to be effective in discharging its responsibilities.