



Annual Report from Finance & Performance Committee - 2021/22

26 May 2022 Board Meeting

Presented for:	Information and Assurance
Presented by:	Gillian Taylor - Chair of the Finance and Performance Committee
Author:	Gillian Taylor - Chair of the Finance and Performance Committee
Previous Committees	30 March F&P Committee – Draft for approval 5 May Audit Committee – for assurance

Trust Goals	
The best for patient safety, quality and experience	✓
The best place to work	
A centre for excellence for research, education and innovation	
Seamless integrated care across organisational boundaries	✓
Financial sustainability	✓

Trust Risks (Type & Category)				
Level 1 Risk		Level 2 Risks	(Risk Appetite Scale)	Risk
Workforce Risk	✓	Workforce Supply – we will deliver safe and effective patient care through having adequate systems and processes in place to ensure the Trust has access to appropriate levels of workforce supply	Cautious	↔ (same)
Operational Risk	✓	Physical Assets Risk – we will optimise patient and workforce experience through the effective management of our buildings and estate	Cautious	↔ (same)
Clinical Risk	✓	Capacity Planning Risk – we will ensure that capacity is planned to meet	Cautious	↓ (decrease)

		the demand for elective and non-elective (acute) admissions to our hospitals, managing risk to provide safe treatment and care to our patients		
Financial Risk	✓	Financial Management & Waste Reduction Risk - we will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast	Cautious	↔ (same)
Financial Risk	✓	Revenue Funding & Liquidity Risk – we will retain a minimum balance of £3m in line with requirements for a Trust of our size	Cautious	↔ (same)
Financial Risk	✓	Supply Chain Risk – we will manage suppliers in a manner that protects the Trust’s interest and services to our patients	Open	↔ (same)
External Risk	✓	Regulatory Risk – we will comply with or exceed all regulations, retain its CQC registration and always operate within the law	Averse	↔ (same)

Key points	
<p>1. Terms of Reference - The Committee Chair, along with the Committee has reviewed the Terms of Reference (ToR) on a line-by-line basis, to ensure that the Committee is fit for purpose and carries out its duties as delegated by the Board of Directors.</p> <p>The committee has discharged its duties in line with the ToR.</p>	Assurance/ Approval
<p>2. Reporting Requirements - The terms of reference for Finance & Performance Committee state that the Committee will report annually on the delivery of its work programme. It will report specifically on:</p> <ol style="list-style-type: none"> 1. Risk 2. Financial management 3. Operational Performance 4. Capital Programme 5. Governance/Approvals 6. Minutes / Hot Topics for Noting <p>These six work plan areas have been amended in the Terms of Reference, shown in Appendix 1.</p>	Assurance
<p>3. Work Plans</p> <ol style="list-style-type: none"> 1. The Board of Directors approved the Committee’s Work Plan for 2022/23, and reported assurance against items received during the year, (or stated where it cannot provide assurance). 	Assurance

II. The Committee sets out its draft Work Plan for the coming year in Appendix 2, seeking approval from the Board.	
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1. Purpose

The purpose of this paper is to provide assurance to the Audit Committee that the Finance & Performance (F&P) Committee has discharged its duties in accordance with its Terms of Reference, completed its work plan for 2021/22, and to propose its draft work plan for 2022/23. The reporting period of the report is April 2021 to March 2022.

2. Committee Members and Effectiveness

Gillian Taylor has been the Chair during the year. The Executive and membership of the Committee has remained constant during the year; however, the Non-Executive membership has changed, with Phil Corrigan replacing Bob Simpson in August 2021. All members attended in excess of 75% of the meetings. Moving forward into April and with the appointment of a new Associate Non-Executive Director, Mike Baker will join the Committee.

The F&P Committee have met on 12 occasions during 2021/22.

In September 2021 an Extra Ordinary Board meeting took place prior to F&P to focus on the next six months – the financial position and forecast for the Trust was considered within this meeting. In December 2021, invitations were extended to the full Board to join the F&P Committee in conducting the Quarterly fundamental financial review of the Trust's/Integrated Care System (ICS) position. On 24th December 2021 a letter was received from NHSE/I advising Trusts on how to reduce the burden of reporting to release capacity to manage the Covid-19 pandemic (Omicron). As a result, the February F&P Committee focused on Capital approvals, and the full Board agenda on 27th January 2022 included Financial and Operational performance. In addition, four fundamental financial reviews have taken place within the year, with invitations extended to all Board members.

The Committee has been effective during the year, with the Chair seeking feedback at the end of the meetings. In addition, 1-2-1 meetings were also held with Committee members to collect feedback on the meeting structure, content and papers. Themes were collated and discussed with the Trust Chair, Chief Executive and Committee members, with the recommendations being implemented during the year. Assurance and information from the Committee was provided at each Board meeting via verbal and a written Chairs report. The previous meetings minutes are also included as a Blue Box item.

During the summer 2021 LTHT Trust commissioned Aqua to carry out an external review of governance arrangements, in accordance with the CQC Well-Led Framework guidance (2017). The F&P Committee were observed during this period, and 1-2-1 interviews were carried out with both Executives, Non-Executives and senior

leaders. The feedback from this review is included in Appendix 5, and supports the effective operation of the F&P Committee. Feedback was received via full presentation and full report at the November Board workshop and 1-2-1 feedback to the Committee Chair.

3. Delivery Against Terms of Reference

The Committee has complied with its Terms of Reference.

4. Amendments to Terms of Reference

Minor membership changes have been reported and approved by the Board during the year to reflect the NED membership (and moving forward the Board will be requested to approve the additional membership of Mike Baker). There are no other amendments to the Terms of Reference.

5. Committee Objectives

The objectives of the F&P Committee for 2021/22 are detailed in Appendix 3, and an assessment of progress is detailed. The objectives have been completed, noting the current uncertainty the Omicron variant brings to the delivery of objective 4. The draft proposed objectives for 2022/23 are in Appendix 4, and will be reviewed by the Committee in April.

6. 2021/22 Work Plan

Assurance of delivery of work plan

The workplan has remained constant during the year. It has six areas of focus, and a description for each section is given below on how assurance has been achieved:

6.1 Risk (Refer to Section 8)

6.2 Financial Management

The overall NHS financial regime has changed during the Covid-19 pandemic. In March 2021, the contracting arrangements for H1 were announced, with system funding envelopes being in place (based on H2 2020/21 envelopes adjusted for known pressures and policy priorities). In September 2021 the contracting arrangements for H2 were announced, with the system block funding envelopes remaining in place, and additional revenue funding, the Elective Recovery Fund, and capital funding, the Targeted Investment Fund, made available to support the restoration and recovery of services

During the pandemic, the Trust acted as host for NHS Nightingale Yorkshire & the Humber with dedicated “pass through” funding from NHSE, with governance and

accountability from LTHT; this hospital was decommissioned and closed in April 2021. The Trust also acts as Lead Provider for the West Yorkshire COVID-19 mass vaccination programme; this commenced in December 2020 and is ongoing. From the 28 December 2021 the Trust was identified and commissioned via NHSE/I to be one of eight surge centres for additional regional (Y, H & NE) capacity to mitigate pressures related to the Omicron variant. The Nightingale hub was intended as a contingency, was never used, and has been decommissioned during February/March 2022.

At each meeting the financial performance and forecast for the current year were reviewed, scrutinised and tested by the Committee, against the financial regime in place. All elements of the financial position were discussed including income, expenditure and cash management. A key focal point has been around achieving financial sustainability. On each occasion the implications of the forecasts were considered in detail and care taken to ensure that savings were not planned where it was thought it would risk quality or service levels.

The Committee has received regular iterations of the 2022/23 financial plan, and the five-year financial strategy/plan. The annual plan was developed in advance and in anticipation of national planning requirements, which at the time of writing are still in draft form. The Committee and Board have approved both the 2022/23 and the strategy/five-year plans. The Trust financial plan approved by the Trust Board is a break-even position in 2022/23.

To provide additional assurance, a task and finish group was convened to provide additional scrutiny of the processes which underpin the development of the five-year plan, with membership from the Board of Executives and Non-Executives. The group met twice on 22nd September 2021 and 6th October 2021. The Task and Finish group agreed the importance of being clear on the decisions and trade-offs inherent in the developing plan recognising the very challenging external environment facing the Trust. The group also discussed the value of describing unconstrained plans setting out what could be achieved if resources were no object.

During the year, the Committee has received updates on the performance against waste reduction programme. CSUs began working on their 2022/23 waste reduction targets in July 2021, and have been reviewed by the Committee.

The Fundamental Reviews of the Trust's financial position set out the forecast risk range and give the Committee the opportunity to challenge and discuss assumptions around the best case, mid case and worst-case forecasts. A decision is made at these meetings whether or not to change the Trust's forecast. Risks to achieving the financial position were explored, alongside impacts on cash and capital. The Committee agreed to support the action plan to ensure delivery of the financial plan, this action plan was reported throughout the financial year.

Following feedback from the Chairs 1-2-1 evaluation meetings with Committee members in 2020/21, there have been a number of deep-dives completed during the year to seek greater assurance on a range of financial topics, including:

- Cost growth over the last two years
- Procurement update

- Long term efficiency plans
- Waste reduction plans

6.3 Performance

The Integrated Finance & Performance Report reviews performance against each of the Trust's key performance targets. These have been reviewed on a monthly basis.

The Covid-19 pandemic has continued to have a significant impact in LTHT's level of operational delivery against each of the constitutional standards. The Standards haven't been met consistently during 2021/22, however have remained aligned to the performance of peer Trusts. It is recognised that there has been a balance of managing Covid-19 activity safely for patients and staff, and priority of activity has had to take place (in line with the Royal College of Surgeons prioritisation guidance); with the knowledge that this would result in growing waiting times/lists for constitutional standards. Restoration and recovery plans have been reviewed on a monthly basis: this has included peer comparisons to take learnings from others, collaborative working with partners, and longer-term plans to redesign some services.

On 12th December 2021, the NHS returned to the highest level of emergency preparedness, Level 4. This was to prepare the NHS for the impact of the Omicron variant, alongside normal winter pressure. This move signalled that the NHS changed to being coordinated nationally, and supported interregional mutual aid across the NHS in England, as required.

The Committee did re-instated (paused for a period in 2020/21) its monthly performance rotational 'deep dives' on each of the Constitutional Standards. During this stretching period of operational delivery, the Committee has gained assurance through receipt of additional information on:

- Current operational pressures and operational planning – receipt of more frequent, granular information.
- Option to attend a weekly tactical operational update Teams meeting.
- The impact of delayed discharges of patients who no longer need to reside in acute hospital; or medically fit for discharge - from both an operational and financial perspective.
- The Covid-19 mass vaccination programme, the booster programme, and the upscaling/acceleration of the programme announced in December 2021. LTHT has acted as the lead provider for the Vaccination Programme for West Yorkshire, with assurance on the financial governance being provided through the F&P Committee on a monthly basis.
- The plans to implement the mandatory staff vaccination mandate.

During February 2022, the Covid-19/Omicron pressures began to reduce and the Committee reassessed its priority areas for assurance. A new workplan was agreed, retaining the constitutional standards, and adding additional focus on the planning guidance, elective recovery plans and CSU delivery contracts. The workplan will be reviewed again in June 2022.

6.4 Capital Programme

The Committee regularly reviewed the Trust's Capital Programme, including seeking assurance on the prioritisation of capital spend and forecast Capital Expenditure; (including capital governance and control). During the year, additional special capital funding has been made available by NHSE. Spending approvals have been granted through F&P, or where necessary Chairs action.

6.5 Governance / Approvals

The Committee has reviewed and approved business cases, contracts and frameworks. There have been a number of Chair's Approvals this year, which have required a decision either between an F&P Committee or Board meeting. The process for Chair's Action has been followed, as defined in Standing Orders and has been reported to the following Public Board meeting within the Chair' report. In addition, a "Decision Log" has been kept during the year, detailing any additional spending which has taken place outside the plan; due to increased Covid-19 expenditure or Reset and Recovery Expenditure. This has been presented to F&P members on a regular basis and forms part of the Finance Report Appendices.

6.6 Hot Topics / Minutes of sub committees

The Committee has received a number of updates on:

- the LGI Generating station programme
- the SJUH energy supply contract renewal
- NHSI presentation on Integrated Care Boards and financial accountabilities of Trusts.

The Committee has received copies of the minutes from the Capital Planning Group, and Chair's summaries from the Leeds CCG Finance and Best Value Committee (attended by Gillian Taylor).

7. Other Issues addressed by the Committee in year

In addition to monitoring the key performance indicators during the year the Committee has continued to develop its focus on:

- The ICS organisational form, governance, and partnership working.
- Approval/recommendation of key contracts proposed to be entered into by LTHT.

8. Risk Management

The risk register has been regularly reviewed, assessing the financial and operational risks. The Committee reviews any risks arising from their meeting which need to be escalated.

Key risks to the financial plan have been regularly reported, including impact of the Covid-19 pandemic, increased nursing/staff spend, delivery of waste reduction plans, changes in the financial regime, and the impact of Brexit and supply chain. The

Committee has also received, discussed and reviewed the implications of the control totals set by NHSI/E; the year-end forecast position and monthly updates of key projects within the Trust, and communicated the results of those risk-based discussions and any recommendations to the Board.

In addition, the Committee regularly reviewed relevant risks on the Corporate Risk Register, and there is no evidence to suggest that these risks are materially mis-stated:

- CRR01 Risk of a viral pandemic
- CRR02 Risk of recommencing normal activity levels due to reduced capacity - COVID-19)
- CRRC4 Failure to achieve the Emergency Care Standard
- CRRC5 18-week RTT target non compliance
- CRRC6 62-day cancer target
- CRRC7 Failure to achieve 28 day cancelled operations target
- CRRC8 52-week RTT target non-compliance in spinal injuries and colorectal services
- CRRC9 Patients waiting longer than 6 weeks following referral for diagnostic test.
- CRR10 Patient flow and capacity to emergency admissions (health economy)
- CRC11 Unsustainable levels of medical outliers
- CRRF1 Failure to deliver the financial plan 2021/22

The Committee has a standing agenda item to ask all members towards closing the meeting if there are any issues they wish to escalate to the Board, other Committees (including Risk Management Committee) or Corporate Risk Register from any information they have received and discussed during the meeting. In addition, there is a standing agenda item for the Committee to escalate to the Quality Assurance Committee any area of performance delivery that they would seek further assurance regarding patient care, or quality issues relating to delivery of constitutional standards.

During 2021/22 a number of actions and escalations were made for consideration of other Committees:

- In April 2021 the F&P Committee noted the volume of patients waiting over 104 weeks for treatment. Further assurance of the oversight and review of any potential harm was explored at the next Quality Assurance Committee.
- In April 2021, an escalation was made to the Workforce Committee, regarding the staffing issues to support cancer delivery.
- In September 2021 the F&P Committee recommended that operational performance should be reviewed by the full Board, and this was actioned.
- In October 2021, the F&P Committee supported the recommendation for the Nursing Establishment report be shared with the Quality Assurance Committee to allow for additional scrutiny on the process applied.
- In October 2021, it was recommended that the risks on the Corporate Risk Register from the Generating Station Complex, and Operational Performance be reviewed and updated through the Risk Management Committee.

- In November 2021, the F&P Committee asked that a review of the workforce pressures on the delivery of the Constitutional Standards be carried out, and to advise if an escalation to the Workforce Committee was required.

The Board has defined a cautious risk appetite to the clinical risk for capacity planning; *'we will ensure that capacity is planned to meet the demand for elective and non-elective (acute) admissions to our hospitals, managing the risk to provide safe treatment and care to our patients'*. Defined as cautious, this is the Board's preference for safe options that have a low degree of residual risk. However, we report that this has and remains an on-going challenge for the Trust to deliver constitutional targets, with decisions underpinned by the Royal College of Surgeons prioritisation guidance; recovery plans are in place to address the backlogs to many treatment pathways as a result of the Covid-19 pandemic. The Committee reports that to the Board their scrutiny and assurance, and reports the declining tolerance of the stated risk appetite.

9. Internal control environment

Additionally, one internal audit review has taken place in 2021/22, which was relevant to the Committee - the audit focused on the process in place around the management and safekeeping of patient property and valuables. This was a high-risk report, scrutinised by the Audit Committee and oversight of the follow up of the action plan by the Quality Assurance Committee.

10. Proposed 2022/23 Work Plan

The draft work plan for 2022/23 is included in Appendix 2B. The Committee are seeking delegation from the Board to carry out this work on its behalf.

11. Publication Under Freedom of Information Act

This paper is exempt from publication under Section 29/36/38/40/41/43 of the Freedom of Information Act 2000, as it contains information which is in draft format and may not reflect the organisation's final decision.

12. Recommendation

The Audit Committee are asked to:

- take assurance that the Finance & Performance Committee has delivered the agreed delegated activities by the Board, as set out in its Work Plan, and gained assurance as defined by the Committee Terms of Reference, and these are current and valid;
- Take assurance from the Work Plan for the next financial year, which will flow to the Board meeting for their approval, (which underpins their delegation to the Committee).

12.Supporting Information

The following papers make up this report:

Appendix 1 Terms of Reference

Appendix 2A Work Plan for 2021/22

Appendix 2B Work Plan for 2022/23

Appendix 3 Objectives for 2021/22

Appendix 4 Objectives for 2022/23

**Gillian Taylor, Chair of Finance & Performance Committee
March 2022**

APPENDIX 1– Terms of Reference – Finance & Performance Committee

1. Main Authority / Limitations

The Board has resolved to establish a Committee of the Board to be known as the Finance & Performance Committee (“the Committee”). The Committee is comprised of Non-Executive Directors, accounts to the Board shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. The purpose of the Finance & Performance Committee is to lead on behalf of the Board of Directors the acquisition and scrutiny of assurances concerning (i) budget/5-year strategy/plan and operational processes; (ii) financial and operational performance; (iii) material variance; and (iv) remedial plans.

- 1.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee may invite any Director, Executive, external or internal auditor, or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective. The Committee may appoint, employ or retain such professional or legal advisors the Committee consider appropriate. Any such appointment shall be made through the Company Secretary. All Board Members shall be entitled, should they wish to do so, to see the advice received from the Committee’s advisors.
- 1.2 The Committee will report annually on the delivery of its work programme. Reports will specifically comment on Risk, Financial management, Operational Performance, the Capital Programme, Governance/Approvals, Relevant Minutes / Hot Topics for Noting.
- 1.3 The Committee will report annually on the delivery of its work programme. Reports will specifically comment on (i) financial strategy and priorities in the year(s) ahead; (ii) capital and liquidity management; (iii) cost improvement delivery and future

improvement opportunity; and (iv) the Trust's results in key performance indicators as set out in the NHS Outcomes Framework and regulated by NHS Trust Development Authority.

- 1.4 Approved minutes of the Committee are circulated to the Board for information at the first formal meeting of the Board after approval. The minutes are also circulated to those regularly in attendance. The Committee Chair provides the Board with a brief summary of the Committee's work at the first available Board meeting opportunity after each Committee meeting. The Chair of the Committee will escalate matters to the Board as deemed appropriate and, if necessary, to the trust Board Chair prior to a Board meeting.
- 1.5 Trust Standing Orders and Standing Financial Instructions apply to the operation of this Committee.

2. Objective

- 2.1 The Committee shall be accountable to the Board and examine assurances relating to financial and operational performance.

3. Primary Duties and Responsibilities

- a. To oversee and assure financial and operational performance. In providing such oversight and advice to the Board and Committee shall oversee (i) current and forward-looking financial and operational performance pressures including stabilisation, reset and recovery from the Covid-19 pandemic; (ii) consider future financial and operational strategy (oversight on behalf of the Board of the Trust's overall revenue and capital plans, current position forecast risk and mitigations), including capital and liquidity management; (iii) scrutinise assurances provided by management in respect of key performance indicators (this would include the performance framework defined by NHS England/Improvement, and indicators prioritised by the Board from corporate strategy).
- b. To consider and advise the Board on the risks associated with any material financial transactions as required from time to time by any Director in consultation with the Chairman and Chief Executive. In preparing such advice the Committee shall satisfy itself that a due diligence appraisal of the proposition is undertaken, focusing in particular on the implications for financial and operational performance, and is within the risk appetite and tolerance of the Trust, drawing on independent external advice where appropriate and available, before the Board takes a decision whether to proceed.
- c. To require regular financial and operational performance reports from management which enable the Committee to consider the financial and operational risks involved in the Trust's business and how they are controlled and monitored by management.

- d. To work closely with and support the Audit Committee to review and oversee the effectiveness of the Trust's internal control framework.
- e. To consider, within its agenda, material issues communicated to it by the Audit Committee arising from the work of the Internal Audit function relating to matters which fall within the scope of the objective and responsibilities of the Committee. The Committee shall provide feedback on its review of such referred internal audit work, in particular as to any shortcomings perceived in the scope or adequacy of the work. Additionally, the Committee shall respond to any other matters of an internal audit nature that are referred to it by the Audit Committee as appropriate.
- f. To review and endorse the content of the Finance & Performance Committee Report in the annual report and accounts for submission to the Board.
- g. To undertake or consider on behalf of the Chairman or the Board such other related tasks or topics as the Chairman or the Board may from time to time entrust to the Committee.
- h. The Committee shall review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes arising therefrom.
- i. To report to the Board on matters set out in these terms of reference and how the Committee has discharged its responsibilities.
- j. The Chair of the Committee shall provide an annual letter of assurance to the Chair of Audit Committee confirming the effectiveness of the Committee and fulfilment of its objective, and to the effect that the Committee has reported to the Board financial or operational performance which could adversely affect achievement of corporate objectives.
- k. Where there is a perceived overlap of responsibilities between the Trust's Audit Committee, Quality Assurance Committee, Digital and Informatics Committee, Workforce Committee or the Building Development Committee usually in consultation with the Director of Finance, the respective Committee Chairman shall have the discretion to agree the most appropriate Committee to fulfil any obligation.
- l. Where the Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on action needed to address the issue or to make improvements.

4. Duties and Etiquette

The duties of the Chairperson of the Committee shall be to:

- keep the Board informed regularly of any material matters which have come to the Committee's attention;
- ensure that minutes of the Committee are an accurate reflection of discussion;
- attend or designate another member of the Committee to attend public meetings of the Trust to answer any questions related to the work of the Committee;

- submit an annual report on the work and effectiveness of the Committee to the Board; and
- ensure that all significant risks are discussed and where necessary escalated in line with LTHT's Risk Management Policy.

The duties of members and attendees shall be to:

- attend and contribute;
- have read the papers and materials in advance and be ready to work with them;
- actively participate in discussions pertaining to Committee business ensuring that solutions and action plans have multidisciplinary perspectives and have considered the impact Trust-wide;
- disseminate the learning and actions from the meetings;
- to attend at least 75% of meetings of the Committee per year.

5. Constitution

The Committee shall meet with such frequency and at such times as it may determine. It is expected that the Committee shall meet a minimum of ten times per year.

The quorum for meetings shall be two Non-Executive Directors, one of whom should be the Committee Chairman, unless he or she is unable to attend due to exceptional circumstances. In the absence of the Committee Chair a decision will be taken in advance of the meeting as to which independent Non-Executive Director who is a member of the Committee, shall Chair that particular meeting.

6. Membership and attendance

The Membership shall be disclosed in the Annual Report and shall be three independent Non-Executive Directors of the Board. At least one of the members shall have recent and relevant financial experience. There shall be no deputies allowed in the absence of a member attending. Any member of the Committee who is able to speak and be heard by each of the other members shall be deemed to be present in person and shall count towards the quorum. The Members shall be:

- Gillian Taylor (Chair)
- Linda Pollard
- Tom Keeney
- Phil Corrigan
- Mike Baker

The Chief Executive, Director of Finance, Director of Human Resources & Organisational Development, Chief Digital & Information Officer, Chief Operating Officer, Director/s of Operations, Medical Director Operations (Unplanned Care), Medical Director (Planned Care), Associate Director/s of Finance, Director of Estates & Facilities and Company Secretary shall be in attendance at all meetings except in relation to reserved business. They may send deputies to represent them in their

absence or invite specific colleagues to address the Committee where appropriate and agreed with the Committee Chairman.

In order for decisions taken by the Committee to be valid, the meeting must be quorate. This will consist of two members of the Committee being present at the point when any business is transacted. [See 6.1 above].

The Committee is serviced by Secretariat which organises meetings. Papers shall be available at least five clear days before each meeting. Papers shall not be tabled unless it is essential and only with the Committee Chair's prior agreement.

Terms of reference are reviewed annually or in the light of changes in practice or national/local guidance.

7. Version Control

Version Control	Date	Comments
V17	20 May 2021	Updated following review for Cttee Annual Report
V18	30 Sept 2021	Updated NED membership
V19	27 Jan 2022	Updated COO team membership (Dir Ops)

Document Owner

The Company Secretary is the owner of this document and of any Board Minute authorising any amendment.

Appendix 2A - F&P Annual Report

THE LEEDS TEACHING HOSPITALS NHS TRUST
Finance and Performance Committee Work Plan 2021/22

Item	Lead / Author	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
1 Risk													
Escalate 'major' risks as identified	DoF/C OO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review assurances are in line with the BAF & the ToR	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review Corporate Finance Risk Register				✓			✓			✓			✓
2 Financial Management													
Finance the Leeds Way	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
In Year Financial Position and Financial Risk Range Forecast; including ICS position, Trust Capital and Cash and CSU performance.	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Contracting & Commissioning Update (incl. Aligned Incentive Contract) and Covid changes	DoF	✓	✓	✓	✓	✓	✓	✓	✓ DoF of CCG to attend	✓	✓	✓	✓
Waste Reduction Plans and monitoring progress)	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022/23 Financial Planning Assumptions / updates	DoF							✓	✓	✓	✓	✓	✓
2022/23 Financial Plan Approval	DoF									✓			✓
5 Year Financial Strategy Refresh	DoF							✓					
Fundamental Review of in year financial position <i>(Reported to full Board)</i>	DoF			✓			✓			✓			✓
Procurement Report (assurance)	DoF				✓						✓		

Item	Lead / Author	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Vaccination (contract & £ governance) monthly	DoF	✓	✓	✓	✓	✓	✓	✓	And as required				
3 Performance													
Performance Report –additional information by exception	ADoP/ DCE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Remedial Plans Constitutional standards Operational recovery	COO				✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
Sustainability Report Annual report 6-month update – presentation	DoE		✓ (AR)						✓				
Workforce Report										✓			
4 Capital Programme													
Within the 5-year financial plan Capital Programme for 2022/23	S&P							✓					
Monthly Capital Programme Report (incl GSC - LGI)	S&P	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Governance													
Business Cases (inc WYAAT cases)	<i>As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £1m to £3.5m approval - and thereafter to BoD</i>												
Award of Contracts	<i>As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £1m to £5m approval - and thereafter to BoD</i>												
Annual Report of Cttee (to Audit Cttee)	DoF											✓	
Committee Work Plan	DoF											✓	
Review Cttee ToR (annually)	DoF											✓	
Self-assessment – Uses of Resources	DoF								✓				
Genomics laboratory service, Pathology CSU & Angie Craige as link ADOP Genomic Medicine Service Alliance to Board timeouts - as required	AG & Path CSU			✓			✓			✓			✓
6 Minutes / Hot Topics for Noting													
Capital Planning Group	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CSUs called to Exec Team as per Performance Framework (<i>mins of this part of the mtg for assurance</i>)	CE /DoF	Escalation as required											

APPENDIX 2
THE LEEDS TEACHING HOSPITALS NHS TRUST
Finance and Performance Committee Work Plan 2022/23
(approved Feb 2022 F&P) updated 27 April – JB (GT email comms with NEDs)

Item	Lead / Author	2022 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2023 Jan	Feb	March
1 Risk													
Escalate 'major' risks as identified	DoF/ COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review assurances are in line with the BAF & the ToR	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review Corporate Finance Risk Reg				✓			✓			✓			✓
2 Financial Management													
Finance the Leeds Way	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
In Year Financial Position and Financial Risk Range Forecast; including ICS position, Trust Capital, Cash, CSU performance.	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Contracting & Commissioning Update (incl. Aligned Incentive Contract) and Covid changes	DoF	✓	✓	✓	✓	✓	✓	✓	DoF of CCG to attend	✓	✓	✓	✓
Waste Reduction Plans (monitoring progress)	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2023/24 Financial Planning Assumptions / updates	DoF							✓	✓	✓	✓	✓	✓
2024/23 Financial Plan Approval	DoF									✓			✓
5 Year Financial Strategy Refresh (NB ICS WY Impact)	DoF							✓					
Fundamental Review of in year financial position each Q <i>(Reported to full Board)</i>	DoF			✓			✓			✓			✓
Procurement Report (assurance) Deep Dive (NB consider ICS)	DoF						✓						✓

Item	Lead / Author	2022 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2023 Jan	Feb	March
Q report from Leeds Hospitals Charity – Funding applications/grants Q to be added													
Vaccination (contract & £ governance) monthly	DoF	✓	✓	✓	✓	✓	✓	✓	And as required				
Major Service contract review eg review including Pathology Managed service contract (excluding BTLW contacts) 6 month reports		✓						✓					
3 Performance													
Planning Guidance Submission (linked to £ Plan)													✓
Delivery Contract			Results for April	Results for May									
Constitutional Standards Report	COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Recovery Updates	COO	<i>To be kept under review each quarter for the cycle of reporting</i>											
Cancer recovery									✓				
Discharge & super stranded		✓											
104/78 week recovery plan			✓										
ECS							✓						
Total waiting list size				✓									
Productivity & efficiency					✓								
Diagnostics						✓							
Winter								✓					
Sustainability Report Annual report 6 month update - presentation	E&F		✓ (AR)						✓ Flow to Nov Board				
Workforce Report										✓			
4 Capital Programme													
Within the 5 year financial plan Capital Programme for 2021/22	S&P							✓					

Item	Lead / Author	2022 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2023 Jan	Feb	March
Monthly Capital Programme Report (incl GSC - LGI)	S&P	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Governance													
Business Cases (inc WYAAT cases)	<i>As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £1m to £3.5m approval - and thereafter to BoD</i>												
Award of Contracts	<i>As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £1m to £3.5m approval - and thereafter to BoD</i>												
Annual Report of Cttee (to Audit Cttee), Committee Work Plan, Review Cttee ToR (annually)	Cttee Chair & Co Sec											✓	
Self-assessment – Uses of Resources	DoF											✓	
Genomics laboratory service, Pathology CSU & ADOP Genomic Medicine Service Alliance to Board timeouts - as required	AG & Path CSU			✓			✓			✓			✓
6 Minutes / Hot Topics for Noting													
Capital Planning Group	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CSUs called to Exec Team as per Performance Framework (<i>mins of this part of the mtg for assurance</i>)	CE /DoF	Escalation as required											

Appendix 3
Finance and Performance Committee Objectives 2021/2022

	Objective	Assessment
1	Lead the scrutiny of assurances for: <ul style="list-style-type: none"> - Budget - Financial and operational performance - Material variances - Remedial/recovery plans Giving consideration to: <ul style="list-style-type: none"> - The joined-up nature/alignments of the plans (across financial, operational and people) - The system wide performance; ICS performance - Alignment to national direction and strategies - Following the Leeds Way and demonstrating the Trust values 	Completed Task and Finish Group established in Sept/Oct 2021, which reviewed the joined-up nature/alignment of plans Greater focus in the year on operational and financial performance across the ICS
2	Execute and report on the delivery of the F&P programme. Report concerns to the Board/appropriate sub-committee, and ensure mitigation/corrective plans are robust	Completed
3	Prepare and deliver annual assurance report to the Audit Committee, confirming the effectiveness of the Committee and fulfilment of its objectives	March 2022
4	F&P - ensure it continues to discharge its duties, making any necessary reshaping as we enter a period of stabilisation, reset, renewal and recovery.	Recovery plans / Decision logs scrutinised; however currently in period of uncertainty during the Omicron variant
5	F&P – ensure sufficient assurance on the new financial regime and ICS performance.	Completed

Appendix 4
Finance and Performance Committee Draft Objectives 2022/2023

	Objective	Due Date
1	<p>Focus on:</p> <ul style="list-style-type: none"> - the delivery of the 'building back' to better recovery plans, demonstrating improvements in productivity and efficiency - the financial challenges of delivering the 22/23 and 5-year plans, and the choices/priorities which will have to be made - Year 1 delivery of the Operational transformation programme 	All year
2	<p>Ensure sufficient assurance on the new financial regime and new Integrated Care Boards, demonstrating effective collaboration and partnership working.</p>	

Appendix 5
Feedback from Aqua review – November 2021

- Well-attended and well-chaired meeting with good agenda management. Chair’s update report is a good process.
- Non-executive presence strong and rotation onto the committee now provides a connection to the Quality Assurance Committee. Non-executives well prepared and briefed which was reflected in the quality of the challenge.
- The Governance Insight Programme outstanding practice was evident with observers in attendance.
- Not always clear as to the history of certain papers, what is being asked of the committee (information, assurance or approval) and where they are going next. But good non-executive challenge on process.
- Risk and risk appetite handled well at this committee.

- Finance reports of particular note in terms of their clarity and content. The ambition and principles set out in the Long-Term Efficiency Plan presentation reflect the strength of intent of the Trust, the underpinning of the Leeds Way Values, the emphasis upon system working and collective accountability.
- Discussion on recovery and associated emerging risks recognised as deserving further debate and wider Board focus.
- Good examples of committee escalation and feedback were provided for example Finance and Performance escalating the requirement for recovery waiting list patient centred quality assurance.
- Committee performance focus on constitutional standards pre-COVID-19 and reinstated in 2020/21 the focus included deep dives into specific targets and action plans. During the pandemic this process was aligned to the COVID-19 requirements. The reviews incorporate benchmarking to ensure that learning can be applied.
- Road maps to elective recovery were introduced to provide assurance regarding action plans, further work is being completed to refine and consolidate the action plans to provide increased assurance re effective delivery.
- Aligning to uncertainty regarding the changes in block funding for the second half of 2021/22 a 'Decision Log' is being maintained to provide transparent monitoring of the impact of the ongoing COVID-19 and recovery pressures on the financial outturn.