

## Finance and Performance Committee Annual Report (2023/24)

(2 May 2024 Audit Committee)

30 May Public Board 2024

<b>Presented for:</b>	Information and Assurance
<b>Presented by:</b>	Gillian Taylor – Chair of the Finance and Performance Committee
<b>Author:</b>	Gillian Taylor – Chair of the Finance and Performance Committee
<b>Previous Committees:</b>	Finance and Performance Committee – March 2024

<b>Our Annual Commitments for 2024/25 are:</b>	
Reduce wait for patients	✓
Reduce Healthcare Acquired Infections by 15%	✓
Reduce our carbon footprint through greener care	✓
Use our existing digital systems to their full potential	✓
Strengthen participation and growth in research and innovation	✓
Deliver the financial plan	✓
Be in the top 25% performing Trusts for staff retention	✓

<b>Trust Risks (Type &amp; Category)</b>				
<b>Level 1 Risk</b>	(✓)	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Risk</b>
Operational Risk	(✓)	Business Continuity Risk	Cautious	↔ (same)
Operational Risk	(✓)	Physical Asset Risk	Cautious	↔ (same)
Clinical Risk	(✓)	Capacity Planning Risk	Cautious	↔ (same)
Financial Risk	(✓)	Financial Management and Waste reduction risk	Cautious	↔ (same)
Financial Risk	(✓)	Revenue Funding & Cash Management Risk	Cautious	↔ (same)
Financial Risk	(✓)	Supply Chain Risk	Cautious	↔ (same)

Key points	
<p><b>1. Terms of Reference</b> The Committee Chair, and the Committee has reviewed the Terms of Reference to ensure that the Committee is fit for purpose and carries out its duties as delegated by the Board of Directors. The ToR is detailed in Appendix A, with minor changes proposed, and these are shown with tracked changes.</p> <p>The Committee has discharged its duties in line with the ToR set out in Appendix A.</p>	Assurance
<p><b>2. Reporting Requirements</b> The Terms of reference for Finance and Performance Committee state the focus of the Committee is;</p> <ul style="list-style-type: none"> <li>• Risk</li> <li>• Financial Management</li> <li>• Operational Performance, including recovery updates</li> <li>• Capital Programme</li> <li>• Governance/Approvals</li> <li>• Minutes/ Key topics for Noting</li> </ul> <p>This report provides an annual review on the delivery of the Committee's work programme.</p>	Assurance
<p><b>3. Work Plans</b> The Board of Directors approved the Committees Work Plan for 2023/24, Appendix B and reports assurance against items received during the year, (or stating where it cannot provide assurance).</p> <p>The Committee sets out its draft Work Plan for the coming year in Appendix C, seeking approval from the Board.</p>	Assurance

### 1. Purpose

The purpose of this paper is to provide assurance to the Audit Committee that the Finance and Performance (F&P) Committee has discharged its duties in accordance with its Terms of Reference, completed its Work Plan for 2023/24, and delivered against the defined objectives, and sets out the proposed Work Plan for 2024/25.

### 2. Committee Membership

Gillian Taylor has been the Chair during the year. The membership of the Committee changed during the year:

- Non-Executive membership, Mark Burton replacing Phil Corrigan in August 2023.
- Rabina Tindale as Executive Director of Nursing and Quality Assurance (Chief Nurse) from January 2024 replacing Jackie Murphy as (Interim) Chief Nurse from October 2023 - January 2024 who replaced Helen Christodoulides as (Interim) Chief Nurse from February 2023 - October 2023;
- Magnus Harrison replacing Hamish McLure as Chief Medical Officer from October 2023.

- The attendance between the Executive Director of Nursing and the Chief Medical Office is on an alternative basis.
- The Director of Strategy, James Goodyear will continue to attend, and from May 2024 will be a member of the Committee.

The F&P Committee have met on twelve occasions during 2023/24.

The Committee has been effective during the year, with assurance and information from the Committee flowing to the Board via verbal and a written Chairs report. Full minutes are received in the Blue Box, Board Workshop.

### **3. Committee Effectiveness**

The F&F Committee has continued to evolve in 2023/24 and has made a number of changes and enhancements in-year:

- A patient story was introduced during the year, and is presented at the start of each meeting, with a link to operational/financial performance or a deep-dive topic. This has been well received by members as a timely reminder each month of the purpose of the Committee.
- Clarity on approvals has been embedded, with distinction made on the agenda as to the purpose of each approval/business case.
- Whilst there is no requirement within Standing Orders for scrutiny of decisions approved by Chair's Action, we have adopted a good governance approach. Where pace was required for urgent decisions using Chairs Action, the Committee has routinely and retrospectively scrutinised these approvals within the next Committee meeting.
- Presenters of significant/prominent business cases/contracts have been encouraged to regularly attend F&P with updates, prior to approval. This has improved understanding, scrutiny and challenge, enabling F&P to provide stronger assurance to the Board.
- The Committee has continued to improve its time management and the quality of the papers presented. Each month the agenda is alternated, taking finance items and performance items at the start of the meeting to ensure equality in focus.

In addition, the Chair of the Committee has given attention to the:

- Embedding of new members to the Committee, and proving reminders of some of the history on topics which have been to F&P previously.
- Ensuring that the 'ask' of papers is clear, and occasionally reminding paper presenters in advance of F&P if a little more clarity is required in the meeting.
- Ensuring that approval presenters are welcomed to the meeting, feel at ease, and that their time is respected in how the agenda is time managed.
- The Committee Chair has been an active contributor to chairing the Shadow Committees, in place for CPD. This is offered to senior leaders to develop insight into corporate governance and confidence in reporting to assurance Committees of the Board.

In previous years the Chair has observed equivalent F&P Committees in other Trusts, and has used surveys to assess the effectiveness of the Committee. During 2023/24 there

have been a number of new attendees at F&P, and many regular observers. As a result, the effectiveness of the Committee was evaluated by asking a range of attendees – new attendees joining F&P, regular presenters to F&P, observers who have joined F&P on more than one occasion in the year, and from other Committee Chairs who have observed F&P. The Chair has also observed the LTHT Workforce and Quality Assurance Committees to widen knowledge of the focus of these Committees, to prevent duplication, and to also assure on triangulation.

The results of the feedback shows:

- The F&P is a highly effective and well-structured sub-Committee of the Board.
- Members have a broad skill-set/experience, with constructive relationships in place.
- Presenters feel that they are welcomed to the meeting and as much as possible put at ease.
- The Committee has struck a good balance of difficult conversations/challenges which are constructive and carried out in the Leeds Way.

In 2024/25 focus to be given to:

- Providing continuity, in the high standard of assurance provided by this Committee.
- Ensuring there is clarity and triangulation between Committees, in particular on Workforce, Quality and the Building Development Committees.
- A focus on Productivity and Efficiency, aligned to the national 2.2% target announced 6/3/2024.
- Delivery of benefits - reviews of large business cases, which have progressed to delivery (An annual repeat of the March 2024 F&P paper).

#### 4. Delivery Against Terms of Reference

The table below shows how the Committee has discharged its duties against its Terms of Reference.

<b>Duty Ref</b>	<b>Description of Duty</b>	<b>Delivery Against the ToR</b>
3.1	Oversee financial and operational performance.	Completed monthly – reviewing current performance, forecasts, plans and strategy. This links into the IQPR within the Board.
3.2	Consider and advise the board on the risks.	Ensure we remain within the risk appetite of the Trust. May escalate a risk to another Committee/Board for review (e.g., QAC, Workforce).
3.3	Receive regular financial and operational performance reports.	Scrutinised monthly for assurance, with deep dives on the topics which matter most.
3.4	To work closely with and support the Audit Committee to review and oversee the effectiveness of the Trust's internal control framework.	As necessary.
3.5	To consider material issues communicated to it by the Audit Committee arising from the work of the Internal Audit function; Respond to any other matters of an internal audit	As necessary.

	nature that are referred to it by the Audit Committee as appropriate.	In January 2024 the Audit Committee asked for additional assurance (and to prevent duplication on the delivery of one of their Cttee objectives)  on the future Productivity and Efficiency reports presented to F&P.
3.6	To review and endorse the content of the Finance & Performance Committee Report in the annual report and accounts for submission to the Board.	March 2024.
3.7	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.	As necessary, this could be within the F&P; or a separate Task and Finish Group.
3.8	Review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.	ToR updated in September 2023.
3.9	To report to the Board on matters set out in these terms of reference and how the Committee has discharged its responsibilities.	May 2024.
3.10	Provide an annual letter of assurance to the Chair of Audit Committee confirming the effectiveness of the Committee and fulfilment of its objective.	May 2024.
3.11	Where there is a perceived overlap of responsibilities between the Trust's Committees the respective Committee Chairman shall have the discretion to agree the most appropriate Committee to fulfil any obligation.	As necessary, but will be discussed with the Trust Chair and other appropriate Committee Chair.
3.12	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.	As necessary, but will be discussed with the Trust Chair in the first instance.

## 5. Committee Objectives

The table below shows the 2023/24 objectives for the Committee and highlights how delivery has been achieved.

	Target 2023/24	Delivery
1	<p><b>Effectively develop and deploy new assets (buildings, equipment, IT)</b></p> <p>Scrutinise and seek assurance on the delivery of the capital programme (in year, from the 5-year programme), ensuring the pipeline of developments/investments is appropriately prioritised and approved, giving considering for, and balancing of: clinical needs/patient safety/mitigation of risks on the risk register/ innovation/ staff benefits / financial benefits.</p> <p>Work collaboratively with Leeds Hospital Charity to prioritise requests for investment support.</p> <p>Give greater focus to benefits realisation – ensure expected benefits from investments are tracked, delivered and sustained.</p>	<ul style="list-style-type: none"> <li>Capital programme reviewed every month.</li> <li>Reprioritisation of capital has happened on several occasions this year, meaning that re-prioritisation exercises have taken place (e.g. the Chapel Allerton theatre scheme proceeding at risk, and subsequently not approved; Brotherton Wing roof repairs, DIT requirements for storage).</li> <li>The process for working collaboratively with the charity has been strengthened.</li> <li>Benefits are detailed in business cases, and embedded into the financial plans re delivery. (Paper presented at F&amp;P March 2024).</li> </ul>

	Note : IT will be assured through the DIT committee, BtLW through the BDC committee; and the Old Medical School (OMS) through the IDC Committee.	
2	<b>Deliver the Financial Plan</b>  F&P will review, challenge and assure on the difficult financial choices which will have to be made to achieve the plan, balancing the impacts on patient quality, staff and the financial impact. <i>We are entering a very challenging and uncertain financial period, with the reintroduction on the Payments By Results (PBR) system. There will be control on spending commitments such that spending on developments is only incurred when there is reasonable certainty that they can be afforded. Choices which will be required through the cost base review exercise. The Board approved a financial plan for 2023/24 of breakeven.</i>	<ul style="list-style-type: none"> <li>There has been a continual focus throughout the year on balancing quality, staff and money, with several referrals to other Committees where greater assurance was required.</li> <li>The Committee has been assured on the process for the cost-based review, cost mitigation plans and technical adjustment releases.</li> <li>The wider financial position across Leeds/ICS is understood by the Committee.</li> <li>The Committee is sighted and has approved additional spend for the use of the Independent Sector.</li> </ul>
3	<b>Reduce average length of stay by 0.5 days per patient</b>  New targets have been set for acute trusts as part of the operational planning guidance for 2023/4. F&P will review, challenge and assure on the plans in place to achieve these targets.	<ul style="list-style-type: none"> <li>Assurance given through Committee deep dives on the action plans in place to achieve the target.</li> <li>Assurance also seen on ward-walks where staff are actively discussing this.</li> <li>Assurance triangulated on Friday Focus operational presentations.</li> </ul>
4	<b>Achieve the Access Targets for Patients</b>  New targets have been set for acute trusts as part of the operational planning guidance for 2023/4. F&P will review, challenge and assure on the plans in place to achieve these targets.	<ul style="list-style-type: none"> <li>Assurance given through Committee deep dives on the action plans in place to work towards the targets.</li> <li>Where the Trust isn't on track to achieve the targets the patient impact and remedial plans are discussed.</li> </ul>

The Committee objectives for 2024/25 will be aligned to the new LTHT Annual Commitments for 2024/25, and other Board Committees, particularly focusing on the Building Development Committee re the development of the LGI site and Building the Leeds Way:

Our Annual Commitments for 2024/25	Committee Objectives to support delivering Commitments
Deliver the financial plan	<b>The F&amp;P Committee will:</b> Assure on the finance mitigation and waste reduction plans to achieve a break-even financial position, whilst maintaining the balance between quality/staff/finances.
Deliver the financial plan	<b>The F&amp;P Committee will:</b> Assure on capital spend, ensuring that there is a clear distinction between business-as-usual spend, and that within the HoTF programme; ensuring clear scope, benefits and prioritisation.
Reduce waits for patients	<b>The F&amp;P Committee will:</b> Assure on the plans to achieve the operational planning targets and trajectories, through operational deep-dives.  (A&E 4-hour performance 78% by Mar 25) (Eliminate >65 WW for elective care asap, Sept 2024 latest) (85% day case and 85% theatre utilisation) (62-day standard 70% by March 2025) (28 day fast diagnostic standard 77% by March 2025; 80% March 2026)) (Increase % patients that receive a diagnostic test within 6 weeks in line with the March 2025 ambition of 95%)

	(92% average bed occupancy, noting that LTHT is unlikely to deliver this target: would result in either an unachievable financial plan, or failure to deliver on performance targets)
<b>Reduce waits for patients</b>	<b>The F&amp;P Committee will:</b> Continue to build on the assurance started in 23/24 on productivity and efficiency to achieve the 2.2% national target.

## 6. Work Plan

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

### 6.1 Risk – see section 8

### 6.2 Financial management

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, with the Trust striving for 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 national payment system for 2023/24 was linked to the Payment by Results regime for elective procedures, with the West Yorkshire ICB on an alternative framework. In 2024/25 LTHT will move to the Payment by Results National System, as the Trusts payment mechanism for elective activity. The PBR system is likely to require new style reports and scrutiny by the Committee.

The Committee has received regular iterations of the 2024/25 financial plan, and the five-year strategy/plan. The annual plan was developed in advance, and in anticipation of the national planning requirements. (The assumptions were published on 27<sup>th</sup> March 2024, and will be discussed in the April 2024 F&P; a draft plan was submitted to WY ICB in mid-March 2024). The Committee and the Board (each quarter full Board engagement with Quarterly Fundamental Financial Review) have approved both the 2024/25 and the strategy/five-year plans. The Trust financial plan approved by the Trust Board is to break-even, however the Trust is operating within a significantly challenging and uncertain context. Delivery of this breakeven plan in 2024/25 is an integral part of the Trust's five-year plan which builds the financial foundations for the opening of the new hospitals. Any under achievement on the breakeven position would have to be 'caught-up' in future years.

During the year, the Committee has received updates on the performance against the Waste Reduction programme. 7.6% was targeted for 23/24.

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 supported a cost-

based review and cost mitigation plan to ensure delivery of the financial plan, this action plan was reported throughout the year.

There have been a number of deep-dives completed during the year to seek greater assurance on a range of financial topics including the cost mitigation plans, waste reduction plans, and productivity and efficiency.

### **6.3 Performance**

The Trusts Constitutional Standards report reviews performance against each of the targets on a monthly basis. The Standards haven't been met consistently during 2023/24, however have remained aligned, and often exceeded the performance of peer Trusts.

Constitutional standards are written in legislation, and in 2023/24 the Committee was unable to assure that the Trust is meeting these standards on a consistent basis. The position is the same nationally, and NHSE have issued performance targets; these have been set as stages to address the backlog and drive staged improvement, with the longer-term aim of delivering constitutional standards. The trust is required to set out compliance against these trajectories within the annual plans.

There have been significant periods of strike action over the year which have impacted the operational pressures and waiting list sizes during the year. These pressures have resulted in significant crowding in our EDs and extremely long waits for patients. It should be noted that despite the pressures on EDs, LTHT has consistently maintained amongst the best ambulance handovers in the country.

However, the number of patients who remain in LTHT beds, despite having 'no reason to reside' has seen a gradual reduction during the year as a result of the collaborative system work driven through the HomeFirst Programme. There is still more work to do and this Programme will continue into 2024/25.

For greater assurance, each month the Committee has completed an operational deep-dive. The deep-dive workplan has been updated during the year, reflecting priorities and the topics which have mattered most. The report format has been maintained during the year strengthening assurance, with greater reliance on narrative, and less reliance on slides. Committee members have continued to be briefed on more detail, which has led to more in-depth discussion and greater assurance. Deep dive topics include:

- Cancer
- The total waiting list size; long wait patients
- Diagnostic testing
- Emergency Care Standard
- Winter planning for LTHT, including new Operational Pressure Escalation Levels (Opel) scores
- Bed occupancy

During the year the Committee has gained assurance through receipt of additional information on:

- The planning and impact of the nursing/ambulance/physiotherapists/junior doctor/consultant industrial action
- The Winter plan for Leeds
- New outpatient standards



- Surgical validation process

## **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. Each month, the Committee received copies of the minutes of the Capital Planning Group. Spending approvals have been granted through F&P (and onto Board if required), or where necessary Chairs Action.

## **6.5 Governance and Approvals**

The Committee has reviewed and approved business cases, contracts and frameworks. There have been a number of Chairs action this year, which have required a decision either between an F&P Committee or Board meeting. The process for Chairs Action has been followed, as defined in the Standing Orders and has been reported to the following public Board meeting within the Chair's report. Previously, the Audit Committee have reviewed and were satisfied that Chair's action was used appropriately, however in May 2024 they will review this again.

## **6.6 Other topics**

The Committee has received a number of updates on:

- The LGI generating station programme
- Energy costs
- Geonomics updates and assurance on the recovery plans (noting that following in-year progress, from March 2024 will now change to operational management reporting)
- National Pathology Imaging Co-operative (NPIC) updates
- Pathology Managed Service Contracts
- Received copies of the minutes from the Capital Planning Group
- Procurement – six-month assurance updates
- The annual Sustainability report for the Trust
- Waste Reduction Governance.

## **7. Other Issues Addressed by the Committee in Year**

The Committee has had additional focus on the ICS form, governance, performance and partnership working. It has also reviewed the Private Patient strategy prior to this topic being discussed at Board.

## **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 needs to be escalated.

Key risks to the financial plan have been regularly reported, including the impact of industrial action, the waiting list size, the use of the Independent Sector, inflation costs, delivery of the financial mitigation and waste reduction plans.

In addition, the Committee regularly reviewed the relevant risks on the Corporate Risk Register, and there is no evidence to suggest that these risks are materially misstated. Level 1 risk types assigned to the F&P Committee are:

- Business Continuity risk
- Physical assets risk
- Capacity planning risk
- Financial planning and waste reduction risk
- Revenue funding and cash management
- Supply Chain risk

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 the delivery of constitutional standards.

As the meeting closes, the Committee also summarises any communications issues and opportunities which need to be addressed as a result of the meeting.

During 2023/24 a significant number of actions and escalations were made for consideration of another Committees/Board/WYAAT:

- April 2023 - ongoing engagement with BDC to stay informed of the Pathology Managed Service Contract Business Case (and at the time - legal challenge).
- April 2023 - F&P request to receive a summary of the Community Diagnostic Centre Lessons Learnt Programme and also share with the BDC.
- April 2023 – Escalation to the Board via the CEO Report to articulate the risks in achieving a balanced position; including the potential risk of further industrial strike action on finance and activity forecasts.
- May 2023 – Escalation to WYAAT Committee in Common re. challenges with spinal surgery and need for a regional voice to seek support.
- May 2023 – Escalation to WYAAT Committee in Common - risk to financial position and varying waste reduction programme levels (with a view to prevent LTH from becoming disproportionately disadvantaged).
- In May 2023 requested the Capital Planning Group to provide more assurance on the balance of clinical need/safety/risk register/innovation/staff benefits, and workforce planning.

- June 2023 – Escalation to Board Timeout regarding the risk to performance because of industrial action, escalation to the September Board for the Board to debate the wider workforce risk (with reference to declining ECS standard and impact of industrial action).
- July 2023 - Audit Committee Chair to be briefed on the Generating Station Complex position and Committee's support to enter into negotiations.
- August 2023 - Geonomics - Escalation to the Risk Management Committee on associated risk to be able to identify different angles and solutions; and Workforce Committee also be asked to provide assurance and visibility against the workforce risks.
- August 2023 - neonatal workforce review - escalation to Workforce Committee to provide assurance of their viability of the associated workforce plans.
- October 2023 – shared the assurance received against the winter plan with the Board and report provided in Blue Box to November Board.
- October 2023 – (Five Year Re-fresh of £ Plan) – provided detail of the Waste Reduction Plan and programme examples to reinforce its value.
- November 2023 - issue found with the surgical booking validation form, and referred to Quality Assurance Committee to ensure no patient physical harm suffered.
- November 2023 - referral to Risk Management Committee to review risk score of Theatre Capacity risk, considering mitigations.
- November 2023 -referral to Risk Management Committee re. backlog in skin cancer pathway - asked to review risk rating and mitigating actions, with the suggestion the risk score should be higher.
- November 2023 – learning from Pathology Managed Service Contract Procurement to be shared across WYAAT.

During 2023/24 there were two escalations from other Committees into F&P:

- Sept 23 - An escalation from the Building Development Committee re clarity on the capital forecast between Trust programmes, and NHP funding.
- In Jan 24 - the Audit Committee asked for F&P to give greater assurance on the Productivity and Efficiency reports - more assurance on what stage in the process a piece of delivery is; benefits released from programmes started, and the flow into the accounts.

## **9. Internal Control Environment**

During the year, the external audit had been carried out on the year end accounts and Value For Money. In addition, there was an internal audit on key financial controls – Accounts Receivable, and this was classified as Satisfactory (green).

## **10.Publication Under Freedom of Information Act**

This paper is exempt from publication under the Freedom of Information Act 2000, as it contains information which is commercially sensitive.

## **11.Recommendation**

The Audit Committee are asked to:

- Take assurance that the F&P Committee has delivered the agreed delegated activities by the Board as set out in its Workplan, and gained assurance as defined by the Committee Terms of Reference.
- 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 A Terms of Reference*

*Appendix B – Work Plan for 2023/24*

*Appendix C – Proposed Work Plan for 2024/25*

Gillian Taylor

Chair of the Finance and Performance Committee

April 2024

### Appendix A - Terms of Reference – Finance & Performance Committee

#### 1. Main Authority / Limitations

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 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 England Planning Guidance.
- 1.5 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.

- 1.6 Each Committee of the Board has a formal work plan that is approved by the Board, which will be used by the Committee Chair and respective Executive for preparing agendas for preparation towards the Committee meeting.

- 1.7 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. The Committee will set annual SMART objectives which will be agreed by the Board.

## **3. Primary Duties and Responsibilities**

- 3.1 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 ; (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).
- 3.2 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.
- 3.3 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.
- 3.4 To work closely with and support the Audit Committee to review and oversee the effectiveness of the Trust's internal control framework.
- 3.5 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.

- 3.6 To review and endorse the content of the Finance & Performance Committee Report in the annual report and accounts for submission to the Board.
- 3.7 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.
- 3.8 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.
- 3.9 To report to the Board on matters set out in these terms of reference and how the Committee has discharged its responsibilities.
- 3.10 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.
- 3.11 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.
- 3.12 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
- Mark Burton
- 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, Director of Strategy, and the 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. The Chief Medical Officer and Chief Nurse will also be in attendance with representation by agreement with cover arrangements between them – hence will not be in attendance at the same time.

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 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

<b>Version Control</b>	<b>Date</b>	<b>Comments</b>
V22	24 Nov 2022	Additional of SMART objectives and agenda review process
V23	30 March 2023	Update re NHS E Planning Guidance - reference
V24	28 Sept 2023	Update to NED Membership

### **Document Owner**

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



## Appendix B – Committee Workplan 2023/24

Committee Workplan 2023/4 (as reported to 4 May 2023 Audit Cttee – updated red text 8 March 2024)

**THE LEEDS TEACHING HOSPITALS NHS TRUST**  
**Draft Finance and Performance Committee Work Plan 2023/24**

Item	Lead / Author	2023 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2024 Jan	Feb	March
<b>1 Risk</b>													
Escalate 'major' risks as identified	DoF/ COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review assurances are in line with the BAF & the ToR	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review Corporate Finance Risk Reg	DoF			✓			✓			✓			✓
<b>2 Financial Management</b>													
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. PBR) and Covid changes	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Waste Reduction Plans (Monitoring progress)	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2024/25 Financial Planning Assumptions / updates	DoF							✓	✓	✓	✓	✓	✓
2024/25 Financial Plan Approval	DoF									✓			✓
5 Year Financial Strategy Refresh (NB ICS WY Impact)	DoS/ DoF							✓					
Fundamental Review of in year financial position each Q (Reported to full Board)	DoF			✓			✓			✓			✓

Item	Lead / Author	2023 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2024 Jan	Feb	March
Procurement Report (assurance)	DoF						✓						✓
Productivity & Efficiency	DoS			✓				✓		✓			
Major Service contract review e.g., review including Pathology Managed service contract (excluding BtLW contacts) 6-month reports									As necessary, as we have done for the Pathology Managed Equipment service in 2022/23				
<b>3 Performance</b>													
Constitutional Standards Report, including performance vs the Operational Planning Targets	COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Activity Report	COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operational Transformation Programme Report	COO		Board						✓ Agreed that this is now captured in the productivity report – remove this item				
2024-25 Planning Guidance Submission (linked to £ Plan)												✓	
2023-24 Planning Guidance Delivery (How have we done?)												✓	
<b>Deep Dive Updates</b>	COO	<i>To be kept under review each quarter for the cycle of reporting</i>											
Long Waits & Total Waiting list size (CRR5 18 week RTT non-compliance) (CRR8 52/78 week waits)	COO	✓							✓				
Diagnostics (CRR9 >6 weeks for diagnostic tests)	COO		✓							✓	✓		
Cancer Standards (CRR6 62-day cancer target)	COO						✓						
ECS (CRR4 Failure to achieve ECS)	COO			✓								✓	

Item	Lead / Author	2023 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2024 Jan	Feb	March
Winter Planning (CRRC10 high occupancy/capacity/flow/impact)	COO							✓ Include new OPEL Scoring					
Bed Occupancy (CRRC10 high occupancy/capacity/flow/impact)	COO				✓						✓ Deferred due to strike action	✓	
Assurance prior to CEO & Chair sign off at Sept Board – new out pt targets (Jim Mackey Letter)							✓						
<b>4 Sustainability</b>													
Sustainability Report Annual report – presentation	E&F			✓ AR ✓ Flow to Board									
<b>5 Capital Programme</b>													
Within the 5-year financial plan Capital Programme for 2023/24	DoS							✓					
Monthly Capital Programme Report	DoS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Overview of TIF Schemes (Blue Box)								✓					
<b>6 Governance</b>													
Business Cases (inc WYAAT cases)	As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £2.5m to £5m approval - and thereafter to BoD												
Award of Contracts	As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £2.5m to £5m approval - and thereafter to BoD												
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 Reporting to NHSE – confirmed to be Q moving forward (from Oct 22 Review)	Path CSU	Dates to be aligned to assuran				Update to Cttee NHSE Assurance		Update to Cttee NHSE Assurance				Update to Cttee NHSE Assurance visit	

Item	Lead / Author	2023 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2024 Jan	Feb	March
Agreed at 28 Feb Cttee meeting this will be reported as management operational issue moving forward – remove from forward plan		ce from NHS visit. ✓				visit 29 Aug		visit 20 Oct				29 Feb	
<b>7 Minutes / Hot Topics for Noting</b>													
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											
<b>8 Patient Story</b>													
Performance				Paed Out pts DNA	Innovation to reduce elective admission						Update from Paed Out Pts (6mths on)		
Finance													

## Appendix C – Committee Workplan 2024/25

**THE LEEDS TEACHING HOSPITALS NHS TRUST**  
**Draft Finance and Performance Committee Work Plan 2024/25**

Item	Lead / Author	2024 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2025 Jan	Feb	March
<b>1 Risk</b>													
Escalate 'major' risks as identified	DoF/ COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review assurances are in line with the BAF & the ToR	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review Corporate Finance Risk Reg	DoF			✓			✓			✓			✓
<b>2 Financial Management</b>													
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. PBR)	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Waste Reduction Plans (Assuring on progress)	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2025/26 Financial Planning Assumptions / updates	DoF							✓	✓	✓	✓	✓	✓
2025/26 Financial Plan Approval	DoF									✓			✓
5 Year Financial Strategy Refresh (NB ICS WY Impact)	DoS/ DoF							✓					
Fundamental Review of in year financial position each Q <i>(Reported to full Board)</i>	DoF			✓			✓			✓			✓
Procurement Report (assurance)	DoF						✓						✓
Productivity & Efficiency	DoS			✓						✓			
Review of Benefits from our investments	DoS												✓

Item	Lead / Author	2024 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2025 Jan	Feb	March
Major Service contract review (excluding BtLW contacts) 6-month reports									As necessary				
<b>3 Performance</b>													
Constitutional Standards Report, including performance vs the Operational Planning Targets	COO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2025-26 Planning Guidance Submission (linked to £ Plan)												✓	
<b>Deep Dive Updates</b>	COO	<i>To be kept under review each quarter for the cycle of reporting</i>											
Progress in 2023/24 vs planning guidance/trajectories, and position as we begin 2024/25		✓											
Long Waits & Total Waiting list size (CRR5 18 week RTT non-compliance) (CRR8 52/78 week waits)	COO		✓						✓				
Diagnostics (CRR9 >6 weeks for diagnostic tests)	COO			✓							✓		
ECS (CRR4 Failure to achieve ECS)	COO				✓							✓	
Bed Occupancy (CRR10 high occupancy/capacity/flow/impact)	COO				✓							✓	
Cancer Standards (CRR6 62-day cancer target)	COO						✓						✓
Winter Planning (CRR10 high occupancy/capacity/flow/impact)	COO							✓					
<b>4 Sustainability</b>													
Sustainability Report Annual report – presentation	E&F			✓ AR ✓ Flow to Board									

Item	Lead / Author	2024 April	May	June	July	Aug	Sept	Oct	Nov	Dec	2025 Jan	Feb	March
5 Capital Programme													
Within the 5-year financial plan Capital Programme for 2023/24	DoS							✓					
Monthly Capital Programme Report	DoS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Governance													
Business Cases (inc WYAAT cases)	As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £2.5m to £5m approval - and thereafter to BoD												
Award of Contracts	As reported (to meeting at least month before BoD) - Threshold to F&P Cttee over £2.5m to £5m approval - and thereafter to BoD												
Annual Report of Cttee (to Audit Cttee), Committee Work Plan, Review Cttee ToR (annually)	Cttee Chair & Co Sec											✓	
Self-assessment – Uses of Resources	DoF											✓	
7 Minutes / Hot Topics for Noting													
Capital Planning Group	DoF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CSUs called to Exec Team as per Performance Framework (mins of this part of the mtg for assurance)	CE /DoF	Escalation as required											
8 Patient Story													
Finance/Performance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓