

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

FINANCE & PERFORMANCE COMMITTEE ANNUAL REPORT 2022/23

1 PURPOSE OF THE REPORT

- 1.1 The Finance & Performance Committee (the “Committee”) has prepared this report for the Board of Directors. It sets out how the Committee satisfied its terms of reference between 1 April 2022 and 31 March 2023. The Committee seeks to provide the Board with evidence that it has met its responsibilities as set out in its terms of reference during the relevant period. The Committee’s terms of reference were reviewed and updated in January 2023¹.

2 MEETINGS

- 2.1 Twelve formal meetings were held during the year, all of which were quorate:

- Monday 25 April 2022
- Monday 23 May 2022
- Monday 4 July 2022
- Monday 25 July 2022
- Friday 12 August 2022
- Monday 26 September 2022
- Friday 21 October 2022
- Monday 28 November 2022
- Monday 19 December 2022
- Monday 16 January 2023
- Monday 13 February 2023
- Monday 20 March 2023

In addition to the joint meeting of the Audit and Finance & Performance Committees held on Thursday 16 June 2022.

- 2.2 Meeting attendance is detailed in **Appendix 1**.

3 MEMBERSHIP

- 3.1 Membership of the Committee comprises three Non-Executive Directors (at least one of whom should have recent and relevant financial experience)², the Chief Finance Officer, the Chief Strategy & Transformation Officer and the Chief Operating Officer.

Membership of the Committee in 2022/23 comprised of:

- Philip Green, Non-Executive Director and Committee Chair (*from 1 January 2023*)

¹ This self-assessment has been prepared against the Committee’s terms of reference in effect from 25 January 2023 (notwithstanding that during part of the period under consideration, the previous terms of reference applied).

² Stephen Mount, Pankaj Davé and John Lelliott are all chartered accountants.

- Stephen Mount, Non-Executive Director and Committee Chair (*until 31 December 2022*)
- Pankaj Davé, Non-Executive Director
- John Lelliott, Non-Executive Director
- Mark Mould, Chief Operating Officer
- Pete Papworth, Chief Finance Officer
- Richard Renaut, Chief Strategy & Transformation Officer

4 COMPLIANCE WITH TERMS OF REFERENCE

- 4.1 A review of the Committee's compliance with its own terms of reference was undertaken (by the Company Secretary Team to support the Committee) in May 2023 by scrutinising the agendas and minutes of the twelve Committee meetings which took place between 1 April 2022 and 31 March 2023. This evidences how the Committee has discharged each of its responsibilities:

- 4.1.1 **To receive confirmation from the Board, on an annual basis, of the relevant breakthrough objectives and the relevant strategic initiatives which are to be held to account by the Committee.**

This was a new addition to the Committee's terms of reference in January 2023. These objectives will be confirmed to the Committee following the finalisation of the 2023/24 annual objectives.

- 4.1.2 **To obtain assurance that the relevant breakthrough objectives and strategic initiatives for which the Board has delegated responsibility for oversight to the Committee, are being delivered effectively through monitoring progress, appropriate challenge and escalating to the Board when required.**

The Committee will begin this following confirmation of the objectives and strategic initiatives for which the Board has delegated responsibility for oversight to the Committee for 2023/24.

- 4.1.3 **To review the Trust's draft Annual Report and Accounts, in conjunction with the Audit Committee, and following satisfactory external audit, making recommendations jointly to the Board for approval, signature, submission and filing.**

The Committee reviewed the annual report and accounts in conjunction with the Audit Committee and recommended approval to the Board.

- 4.1.4 **To review for recommendation to the Board the annual plan and medium-term financial plans, including, to the extent necessary and relevant considering the wider Dorset system's annual plan.**

The draft operational budget was presented to the Committee in February 2023, with subsequent amendments presented in March 2023. The Committee also reviewed the annual operational plan in March 2023.

- 4.1.5 To review and make comment to the Board on the long term strategic financial plans of the Trust, and to the extent necessary the wider Dorset system, including consideration of the level of capital investment and financial risk.**

The Committee reviewed on a quarterly basis the capital programme report and received a quarterly update from the ICB's Chief Finance Officer.

- 4.1.6 To review and make comment to the Board on the substance of the annual revenue and capital budgets of the Trust, and to the extent necessary the wider Dorset system, and to consider and make recommendations to the Board of Directors on tenders, contracts and business cases for capital and revenue schemes which exceed the Committee's delegated limits set out in the Schedule of Delegation of the Board.**

The Committee reviewed the draft operational budget as in 4.1.4, in addition to approving (where within delegated limits) and made recommendations for approval of tenders, contracts and business cases to the Board.

- 4.1.7 To review the financial and operational performance and controls reporting of the Trust, and to the extent necessary the wider Dorset system, to include overall financial and operational performance, financial performance of each Care Group, cash flow, debtors and creditors, transformation, merger and cost improvement programmes, capital spend against plan and resources available.**

The Committee received various reports including, financial performance report, operational performance report, cost improvement report, consultancy commitments, patient level information and costing report, and national costs submission assurance.

- 4.1.8 To review and examine monthly and year to date financial management variances both revenue and capital and report to the Board.**

This was achieved through monthly review of a financial performance report and quarterly review of a capital programme report.

- 4.1.9 To keep under review the quality, quantity and timeliness of financial, operational and analytical information provided to the Board and recommend any required changes, particularly in response to changes required to regain budget trajectory or in national requirements on a monthly or annual basis as appropriate.**

The Chair of the Committee raises issues to the Board through their key issues and assurance report.

- 4.1.10 In respect of major capital projects of the Trust, and to the extent necessary the wider Dorset system, to consider business cases in detail and where necessary advise on strengthening prior to making recommendations to the Board for its approval or otherwise. To monitor these projects post-approval and scrutinise any cost or time variances.**

The Committee considers and makes recommendations to the Board on major capital projects (such as the New Hospitals Programme). The Committee has received reporting post-approval in relation to certain variances.

4.1.11 To review and make comment to the Board on borrowing against Prudential Borrowing Code and other ratios.

As noted above, the Committee receives a monthly finance performance report; and reviews and makes comment to the Board on certain business cases.

4.1.12 To monitor and recommend improvements to Treasury and Financial Systems, meeting the objectives of strengthening the use of financial resources.

This is to be met through Financial Systems Development update exception reports presented by the Chief Finance Officer; no Financial Systems Development update exception reports were presented to the Committee during the period.

4.1.13 To review and recommend individual investments of cash balances/cash advances.

The Committee received a monthly financial performance report and approved the treasury management policy in November 2022.

4.1.14 To monitor banking arrangements, including approving tenders of banking services.

Where applicable, this would be presented to the Committee through review of the regular financial performance report (and relevant recommendation report).

4.1.15 To support the Trust in fulfilling the requirements of its licence and commissioner contracts in relation to key performance indicators.

The Committee reviewed the operational performance report at each meeting. (The Committee is also sighted upon the Integrated Performance Report on a monthly basis).

4.1.16 To keep the Board updated on any identified regulatory and statutory duties related to financial performance of the Trust and how this impacts delivery against the control total.

During the period, in addition to specific agenda items, Board agendas included provision for escalations from Committee Chairs to the Board; the governance was strengthened in 2023 with the Committee providing Chair's key issues and assurance reports to the Board.

4.1.17 To consider the impact of accounting policies for external reporting, taking into account the requirements of NHS England and other appropriate bodies.

Where applicable, this would be provided through exception reporting by the Chief Finance Officer to the Committee and to the Board.

4.1.18 To review the estates strategy and Estates masterplan, providing input and recommendations to the Board, and to monitor progress against and risks associated with the strategy and monitoring other estates-related improvement plans.

Estates improvement was previously reported to the Quality Committee on a quarterly basis. During the period and following the remit of the Committee being

expanded, monthly estates compliance reports are presented to and monitored by the Committee.

- 4.1.19 To review the Private Patient Strategy, the Benefits Realisation Strategy and the Quality Improvement Strategy, providing input and recommendations to the Board and to monitor progress against and risks associated with such strategies.**

Prior to January 2023, review of the Private Patients Strategy was the responsibility of the Private Patients Strategy Committee, and the Quality Improvement Strategy and Benefits Realisation that of the Transformation Committee. From January 2023, the Committee's remit was expanded to include these additional items. Private Patients Strategy and Transformation matters are considered monthly on an exception basis and every 3 or 4 months with a more substantive report.

- 4.1.20 To review the development and delivery of commercial strategies of the Trust, including partnership arrangements with other organisations, providing input and recommendations to the Board.**

New responsibility from January 2023.

- 4.1.21 To review the Trust's procurement strategy including having regard to the priorities at national and integrated care system (ICS) level and challenges to the delivery of change and providing input to the Board.**

The Committee approved the procurement strategy in February 2023.

- 4.1.22 To review the Digital Strategy and provide input and recommendations to the Board for approval.**

This was a new responsibility from January 2023. The Transformation Committee previously received regular updates on the digital programme. (The Committee received an update on the Digital Strategy in April 2023).

- 4.1.23 To monitor the implementation of the Trust's information management, technology and digital plans as enablers to efficiency and transformation, receiving regular progress reports to scrutinise delivery and the meeting of key milestones.**

This was a new responsibility from January 2023, prior to which the Audit Committee reviewed an information governance report on a quarterly basis. The Transformation Committee received assurance on transformation and the Committee now receives a transformation portfolio dashboard which incorporates digital.

- 4.1.24 To receive reporting in relation to cyber security including regular maintenance of critical systems and equipment and minimising impact on clinical services during downtime.**

Prior to January 2023, this was the responsibility of the Audit Committee which received a cyber security report bi-annually.

- 4.1.25 To review the Sustainability Strategy (Green Plan) and provide input and recommendations to the Board for approval.**

Prior to January 2023, this was the responsibility of the Sustainability Committee. It reviewed the Green Plan in June 2022 and recommended approval to the Board.

4.1.26 To monitor the implementation of the Trust's sustainability plans, receiving regular progress reports to scrutinise delivery and the meeting of key milestones.

Prior to January 2023, this was the responsibility of the Sustainability Committee. It received progress reports at each meeting. Since January 2023 this has been a regular item on the committee's agenda, either by escalation or more substantive reporting.

4.1.27 To review the Trust's draft Annual Report prior to recommendation to the Board for matters of sustainability, climate adaptation and carbon reduction and related areas of corporate social responsibility

Prior to January 2023, this was the responsibility of the Sustainability Committee and was undertaken in June 2022.

4.1.28 To receive and review financial and other relevant reports of or relating to the Dorset ICS and provider collaborative.

The Committee received a quarterly update from the Chief Finance Officer of the Integrated Care Board.

4.1.29 To regularly review the Board Assurance Framework (including through in-depth review of specific risks) and to ensure that it reflects the assurances for which the Committee has oversight, with risks highlighted being appropriately reflected on the risk registers. This shall include, but not be limited to the Committee acting in accordance with Board approved risk appetite and risk tolerance levels when reviewing risks

This was expanded from the previous remit of the Committee with effect from January 2023. There is currently a transitional period towards a new form of Board Assurance Framework.

4.1.30 To be kept appraised of all new and current risks rated 12-25 applicable to the Committee's scope identified on the risk register across the organisation and progress of action plans identified to mitigate these risks.

As noted above, the Committee's remit expanded in January 2023; there has been a transitional period since then of aligning the manner in which the risk register is presented to the Committee, which is now stabilising.

5 CONCLUSION

5.1 The Committee considers that it has discharged its responsibilities as set out in its terms of reference, recognising that new terms of reference were adopted in January 2023.

Philip Green
Chair, Finance & Performance Committee
June 2023

Appendix 1 – Attendance at Finance & Performance Committee 2022/23

		25-Apr-22	23-May-22	04-Jul-22	25-Jul-22	12-Aug-22	26-Sep-22	21-Oct-22	28-Nov-22	19-Dec-22	16-Jan-23	13-Feb-23	20-Mar-23
Present	Philip Green												
	Stephen Mount												
	Pankaj Dave										A		
	John Lelliott									A			
	Mark Mould							D					
	Pete Papworth									D			
	Richard Renaut									D			
In Attendance	Robert Bufton												
	Yasmin Dossabhoy												
	Rob Flux												
	Ewan Gauvin												
	Peter Gill												
	Philip Green												
	Andrew Goodwin												
	Stephen Harding												
	Siobhan Harrington												
	Marjorie Houghton												
	Steven Killen												
	Sarah Locke												
	Sarah Macklin												
	Judith May												
	Tracy Moran												
	Rob Morgan												
	Helen Rushforth												
Was the meeting quorate?		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Key	
	Not in Attendance
A	Apologies
D	Delegate Sent