F&P 20.9.11
Item 5 TABLED

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board

Committee Annual Report 2010/2011

1 Title of Committee:

Finance & Performance Management Committee

2 Name and role of person submitting this report:

Mrs Helen Simpson / Mr Mark Common

3 Dates covered by this report:

01.04.10 to 31.03.11

4 Number of times Committee met during the year:

Twelve

5 Assurance/s this committee is designed to provide:

The remit of the Committee is to:

- undertake a detailed review of the Board's financial and performance management position and forecasts,
- consider significant financial issues and performance issues
- to make decisions on these matters on behalf of the Board as identified in the Board's Scheme of Delegation and Standing Financial Instructions.

6 Overall *RAG status against committee's annual objectives / plan:

- To examine and approve the Financial Planning and budgeting process. GREEN.
- To advise the Board on progress with cost improvement programmes; GREEN.
- Based on forecast income, to review proposed revenue budgets; GREEN.
- To monitor financial performance against revenue budgets and statutory financial duties; GREEN.
- To seek explanations of budget expenditure variance and decide upon necessary remedial action; GREEN.
- To consider submissions to be made in respect of revenue or capital funding and the service implications of such changes; GREEN.
- To approve and monitor progress of the Board's capital programme; GREEN.
- Based on forecast resources available, to monitor the proposed capital programme and progress against this programme; GREEN.
- To review cash management, budgetary controls and forecasts; GREEN.
- To review the Board's financial procedures and ensure they are in accordance with set standards; GREEN.

7 Main tasks completed / evidence considered by the Committee during this reporting period:

- Monthly review of performance against AOF indicators.
- Monthly in-depth review of specialty provision as per amended programme of Focus on reports
- In –year management and decision making in relation to specific issues such as the orthopaedic delivery plan, use of waiting list initiatives, asbestos impact on performance at YGC, follow up outpatient backlog.
- In-year leadership and Investigation of Serious Adverse Incident (Elective Care West)
- Board level assurance and reporting of performance, efficiency and productivity and issues of significance.
- Regular reporting and scrutiny of the financial position and targets.
- Regular reporting and scrutiny of the Cash Releasing Efficiency Plans.
- Approval of the draft annual accounts.
- Approval of the annual Capital plan.
- Approval of the Annual Income and Expenditure budgets 2011/12.
- Approval of Medium Term Financial Planning 2011/12 to 2014/15.

8 Main action plan themes / tasks due for completion in forthcoming year:

- Further development of the reporting framework to reflect the National Delivery Framework, the AQF requirements, and the Efficiency and Productivity framework.
- Transfer of safety and quality framework and Focus on assurance reporting to Quality and Safety Committee structure.
- Transfer of responsibility for delivery of Serious Adverse Incident Action Plan to Risk Management Sub Committee of Q&S.
- Continued scrutiny of the financial position.
- Approval of 2012/13 Income and Expenditure Budgets.
- Approval of annual Capital plan for 2012/13.

9 New risks and issues identified by this Committee in-year:

Risk to delivery of the Orthopaedic Plan, given the multi-faceted and complex arrangements needed to secure the activity and the financial shortfall in the WG allocation.
A number of risks to achieve breakeven were identified in year and continue to be managed.

10 New risks on Risk Register / Strategic Assurance Framework updated?

Yes **x**☐ No ☐ [please explain]……..

11 Further comments:
The financial position and meeting key performance targets remain challenging and will continue to be the key feature of the Committee's work.

Key:

Red	*= planned objectives not met – no assurance*
Amber	*= remedial action required to meet planned objectives – limited assurance*
Green	*= plan on track to meet objectives – full assurance*

Appendix 1 Finance and Performance Committee Attendance to 31.3.11

			19.11.09	22.12.09	26.1.10	23.2.10	23.3.10	11.5.10	25.5.10	22.6.10	20.7.10	24.8.10	21.9.10	26.10.10	23.11.10	20.12.10	25.1.11	22.2.11	21.3.11
Michael Williams	Chairman, BCUHB	M	Y	Y	Ap	Y	Y	Y	Ap	Y	.	Y	Y	Ap	Y	Ap	Y	Y	Ap
Merfyn Jones	Independent Member	M	Y	Ap	Ap	Y	Ap	Y	Ap										
Keith McDonogh	Independent Member	Chair	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Ap	Y	Y	Y	Y	Y
Chris Tillson	Independent Member	M	Y	Y	Y	Y	Y	Y	Ap	Y	Ap	Y	Y	Ap	Y	Y	Y	Y	Y
Hilary Stevens	Independent Member	M	Y	Y	Ap	Y	Y	Ap	Y	Y	Pt	Ap	Ap	Y	Ap	Ap	Y	Y	Ap
Jenie Dean	Independent Member	M			Y	Y	Y	Y	Y	Y	Pt	Y	Y	Y	Y	Y	Y	Ap	Y
Mary Burrows	Chief Executive	M	Y	Y	Y	Ap	Y	Ap	Ap	Y	Y	Ap	Ap	Y	Y	Ap	Ap	Y	Y
Mark Scriven	Medical Director	Me	Ap	Ap	Ap	Ap	Y	Ap	Y	As	Ap	Ap	Ap	Ap	Ap	Ap	Ap		Y
Jill Galvani	Director of Nursing Midwifery & Patient Services	M	Y	Ap	Ap	Ap	Ap	Ap	.	.	Ap	Y	Y	Y	Y	Y	Y	Ap	Y
Neil Bradshaw	Director of Planning	IAtt	Y	Y	Ap	Y	Y	Y	.	Y	.	Y	Ap	Ap	Ap	Y	Y	Y	Y
Geoff Lang	Director of Primary Care, Community and Mental Health Services	IAtt	Ap	Y	Ap	Ap	Ap	Ap	Y	Y	Y	Y	Y	Y	Y	Y	Ap	Y	Y
Keith Griffiths	Director of Therapies and Health Sciences	IAtt	Y	Ap	Ap	Ap	.	Ap	Y	Y	.	Y	Y	.	Y	Y	Ap	Y	Ap
Helen Simpson	Director of Finance	M			Y	Y	Y	Y	Y	Y	Y	Ap	Y	Y	Y	Y	Y	Y	Y
Grace Lewis-Parry	Director of Governance & Communications	IAtt	Ap	Ap	Y	Ap	.	Ap	.	.	.	.	.	Ap	Ap	Ap	Ap	Ap	Ap
Mark Common	Director of Improvement & Business Support	IAtt	Y	Y	Ap	Y	Y	Y	Y	Y	Y	Y	Ap	Y	Y	Y	Ap	Y	Y
Andrew Jones	Director of Public Health	IAtt														Ap	Ap	Ap	Ap
Secretariat		Kate Parry	DD	DD	LJ	DD	DD	DD	LJ	LJ	DD	LJ	LR	LR	LR	LR		KP	KP
Staffside reps	Hywel Williams												HW	.	.	.	Ap	HW	.

M – Member
IAtt – In Attendance
Obs - Observer

Y – Present
Ap – Apols
Pt – Part meeting

Others in Attendance			19.11.09	22.12.09	26.1.10	23.2.10	23.3.10	11.5.10	25.5.10	22.6.10	20.7.10	24.8.10	21.9.10	26.10.10	23.11.10	20.12.10	25.1.11	22.2.11	21.3.11
Colin Jenn	Interim Dir of Finance	IAtt	Y	Y	Y	Y	Ap	Y	Y										
Peter Lewis	BSP	IAtt	Y	Y	Y	Ap	Y	Ap	Y										
A Whitfield	Asst Dir of Finance	IAtt	Y	Y	.														
Jill Newman	Asst Dir Improvement	IAtt		.	Y	Y						Y	Y				Y		
Andrew Gunnion	Interim Head of Sustainability	IAtt					Y												
P Jones	Finance	IAtt	Y				Y	Y	Y								Y	Pt	
N McCann	Asst Dir Finance	IAtt	Y							Y		Y					Y		
A Butlin	Asst Dir Finance	IAtt	Y																
H MacArthur	Interim Asst Dir Finance	IAtt								Y	Pt		Y	Y	Pt	Pt	Y		
Tim Woodhead	Inerim Asst Dir Finance	IAtt								Y	Y		Y	Y	Y				
Bob Evans	Asst Dir Finance	IAtt										Y				Pt		Pt	
A M Rowlands	Asst Dir Nursing for JG	IAtt									Y							Y	
Reena Cartmell	Asst Dir Nursing	IAtt													Pt				
Clive Sparkes	CoS Therapies & Clinical Support	Obs													Y				
Nigel Griffiths	WAO	Obs													Y				
Mathew Edwards	WAO	Obs													Y				
Michelle Phoenix	WAO	Obs												Y					
Martin Duerden	Acting Medical Director	IAtt													Ap	Ap	Ap	Y	
Indrani Ghosan	Management Traineee	IAtt																Y	
Tony Shambrook	CoS Surgical & Dental	IAtt																Pt	
Rod Taylor	Asst Dir Estates	IAtt				Y													
R Gillett	Performance	Obs						Obs	Y										
R Peel	Finance	IAtt										Y							

Appendix 2

Betsi Cadwaladr University Health Board

Terms of Reference and Operating Arrangements

FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE

1. INTRODUCTION

The LHB's standing orders provide that "*The Board may and, where directed by the Assembly Government must, appoint Committees of the LHB either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees*".

In line with standing orders (and the LHB's scheme of delegation), the Board shall nominate annually a committee to be known as the **Finance and Performance Management Committee**.

2. PURPOSE

The remit is to undertake a detailed review of the Board's financial and performance management position and forecasts, to consider significant financial issues and performance issues and to make decisions on these matters on behalf of the Board as identified in the Board's Scheme of Delegation and Standing Financial Instructions.

The duties of the Committee will be:-

2.1 Budgetary Control

- To examine the Financial Planning process and to advise the Board on progress with cost improvement programmes;
- To monitor financial performance against revenue budgets and statutory financial duties;
- Based on forecast income, to review proposed revenue budgets;
- To seek explanations of budget expenditure variance and decide upon necessary remedial action;
- To consider submissions to be made in respect of revenue or capital funding and the service implications of such changes;

2.2 Performance Management

- To approve the Annual Operating Framework;
- To monitor performance and quality outcomes against Welsh Assembly Government targets including access times, efficiency measures and other performance improvement indicators including NSF implementation;
- To explore the relationship between activity and cost and ensure adequate monitoring return systems are in place;
- To review progress in implementing the annual corporate management objectives;
- To monitor activity performance against baseline activity targets;

2.3 Capital Expenditure and Working Capital

- To approve and monitor progress of the Board's capital programme;

- Based on forecast resources available, to monitor the proposed capital programme and progress against this programme;
- To review cash management, budgetary controls and forecasts;
- To review the Board's financial procedures and ensure they are in accordance with set standards;

3. DELEGATED POWERS AND AUTHORITY

The Committee is established by the Board which has delegated power for it to take appropriate action regarding issues within the Committee's remit. Where issues are considered to be of Board-level significance they should be reported to the Board Chairman for approval prior to action as the Board retains responsibility for the actions of the Committee.

3.1 Authority

The Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the LHB. It may seek any relevant information from any employee and all employees are directed to cooperate with any reasonable request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

3.2 Sub Committees

The Committee may, subject to the approval of the Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

4. MEMBERSHIP

Chair	An Independent Member of the Board
Members	Board Chairman 4 Independent Members Chief Executive Director of Finance Executive Director of Nursing Medical Director Staff Representative
Executive Lead	Executive Director of Finance
Secretary	As determined by the Director of Governance & Communications.
In attendance	The Deputy Director of Finance or an Assistant Director of Finance will usually sit in as support. Other Officers of the Board may be invited to attend where their specific knowledge is required to advise the Committee, at the discretion of the Chairman. As well as others from within or outside the organisation whom the committee considers should attend, taking account of the matters under consideration.

Member Appointments
The membership of the Committee shall be determined by the Board, based on the recommendation of the LHB Chair, and subject to any specific requirements or directions made by the Assembly Government.

Appointed Independent Members shall hold office on the Committee for a period of up to 4 years. Tenure of appointments will be staggered to ensure business continuity. A member may resign or be removed by the Board. Independent Members may be reappointed up to a maximum period of 8 years.

5. COMMITTEE MEETINGS

5.1 Quorum
A quorum shall be four members, to include at least one Executive and two Independent Members.

5.2 Frequency and notice of meetings

The Committee will meet monthly, or more frequently as determined by the Committee. Agenda and papers for the meetings shall be sent to Committee members, in order to be available to them five working days before the meeting.

6. REPORTING AND ASSURANCE ARRANGEMENTS

The Committee is accountable to the Board.

The minutes shall be formally recorded and approved at the next meeting of the Committee. Minutes will be submitted to the next available meeting of the Board.

The Chair of the Committee may raise specific matters at a Board meeting for information, discussion or approval.

The Committee Chair shall:

- report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity, the submission of committee minutes and written reports, as well as the presentation of an annual report;
- bring to the Board's specific attention any significant matters under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the LHB Chair, Chief Executive or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the LHB.

The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation including that of any sub committees established.

7. RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES/GROUPS

Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens.

The Committee, through the Committee Chair and members, shall maximise cohesion and integration across all aspects of governance and assurance through the:

- joint planning and co-ordination of Board and Committee business; and
- sharing of information

The Committee shall embed the LHB's corporate standards, priorities and requirements, e.g. equality, diversity and human rights through the conduct of its business.

8. COMMUNICATION

The Committee, through the Finance Director and Secretary, will ensure that its work is communicated to relevant groups/departments within the Board.

9. REVIEW

These terms of reference and operating arrangements shall be reviewed annually by the Committee with reference to the Board.

10. CHAIR'S ACTION

10.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings. In these circumstances, the Committee Chair, supported by the Committee Secretariat as appropriate, may deal with the matter on behalf of the Board – after first consulting with two other Independent Members of the Committee. The Secretariat must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

10.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring decision.

Date Terms of Reference Approved:…….

Signed:……(Chair)

Date:……..