

## Audit Committee

### Item 6.1c

**Subject:** Integrated Performance Committee Annual Report 2017/18  
**Date of Meeting:** Tuesday 10<sup>th</sup> April 2018  
**Prepared by:** Claire Wilson, Chief Finance Officer  
**Presented by:** Marion Savill, Committee Chair/Non-Executive Director

BAF Ref	Impact on BAF
3.1, 3.2	No impact. Report confirms that committee is working effectively.

### 1. Executive Summary

The Integrated Performance Committee has met 4 times during the financial year 2016/17.

The committee's main priority is to review and scrutinise assurances that the Trust is operating and will continue to operate within the terms of its licence, regulatory requirements and statutory obligations.

The committee identified risks associated with the delivery against the CIP programme and the potential impact on the Trusts longer term financial sustainability. This has received significant focus of the committee in year and continued scrutiny will be required in 2018/19 given that this is a key risk to the delivery of the 2018/19 financial plan.

The committee is keen to see more focus on forward looking information and operational forecasts.

The Terms of Reference have been reviewed only minor updates have been made

All Trust committees were observed and reviewed as part of the Trust's Well Led Review which was conducted by Mersey Internal Audit Agency and a number of actions have been taken forward by the committee.

This paper provides an overview of progress against each of the objectives set out within the committee Terms of Reference and concludes that the Committee has met all of its objectives.

### 2. Delivery of Objectives set by the Board of Directors

A summary of progress against each of the agreed objectives is shown below.

ToR Reference	Terms of Reference	Evidence to support delivery	Outstanding Issues/Actions
(i)	Annual Plan and in-year NHSI Returns	<p>The committee discussed the financial plan and the risks associated with it.</p> <p>It also reviewed the reference cost submission and noted the ongoing work in this area in relation to the informatics review.</p>	
(ii)	Integrated Governance	<p>The Committee has reviewed relevant financial and performance reports for 2016/17 and noted the continued delivery of all key performance and financial metrics as required by NHS Improvement. Subject to recovery of RTT position.</p> <p>The committee has placed significant focus on the Cost Improvement Plan and has identified delivery of this as a key risk. It has received presentations from clinical divisions and sought assurances on the mitigations in place to support the financial position for any non - delivery in year. It has also received regular updates on the Trusts progress in implementing productivity improvements in relation to the Carter report.</p> <p>Discussions taken place on the impact of the financial position on cash balances and the associated risk to the future capital</p>	<p>The committee has asked to see more evidence on operational performance forecasts, to give assurance that resource plans are reviewed and if necessary flexed in year in the light of any significant changes in activity v plan.</p> <p>The committee is keen to review the additional assurances which are expected to be available once Service Line Reporting information is available.</p>

(iii)	Regulatory and statutory guidance	Received updates on new and emerging guidance from regulators and external agencies where relevant to its remit. For example, in relation to control totals, sustainability and transformation funding and planning guidance.	None
(iv)	Risk	<p>The committee identified and received assurances in relation to a number of risks identified during the course of its work.</p> <p>For example, the committee has also identified risk associated with the delivery against the CIP programme and the impact on the Trusts longer term financial sustainability. This has received significant focus of the committee in year and clinical divisions were invited to present on progress.</p>	<p>Continued focus and scrutiny on CIP programme will be required as it is a key risk to the delivery of the 2018/19 financial plan.</p> <p>To ensure that the impact of any issues associated with the findings of the KPMG informatics review are considered in the work of the committee during 2018/19.</p>

### 3. Membership

Member	24 <sup>th</sup> April 2017	24 <sup>th</sup> July 2017	30 <sup>th</sup> Oct 2017	29 <sup>th</sup> Jan 2018
Marion Savill (Chair)	✓	✓	✓	✓
David Bricknell	✓	✓	✓	✗
Mark Jones	✓	✓	✓	✓
<b>Attendees</b>				
Claire Wilson (Chief Finance Officer)	✓	✓	✓	✓
Tony Wilding (Director of Strategic Development & COO)	✓	✓	✗	✓

#### **4. Sub Committees**

The committee has received minutes of the Business Transformation Steering Group meetings to support assurance on progress of the Cost Improvement Programme.

#### **5. Conduct of Meetings**

A committee work plan was agreed at the start of the year and has been delivered as planned. Minutes and action logs have been maintained and all outstanding actions followed up at each meeting. All meetings have been quorate.

#### **6. Terms of Reference**

The Terms of Reference are included in Annex 1.

#### **7. Recommendations**

The Audit Committee is asked to:

- Note the contents of the report and confirm that the committee has operated effectively during 2017/18

## Annex 1

## Terms of Reference

### Integrated Performance Committee

<b>Authors Name &amp; Title:</b> Claire Wilson, Chief Finance Officer Lucy Lavan, Director of Corporate Affairs	
<b>Scope:</b> Trust Wide	<b>Classification:</b> Terms of Reference
<b>Replaces:</b> Integrated Performance Committee Terms of Reference v1.4	
<b>To be read in conjunction with the following documents:</b>  Governance Manual Provider Licence Single Oversight Framework Board Assurance Framework	
<b>Document for public display?</b> No	

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## **1. Constitution and Remit**

This Committee is established as an Assurance Committee of the Board of Directors of Liverpool Heart and Chest Hospital NHS Foundation Trust in order to provide the Board with assurances in respect of the Trust's current and forecast performance and its operations in relation to compliance with the licence, regulatory requirements and statutory obligations. This is a Non-Executive Committee.

## **2. Authority**

The Integrated Performance Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek information it requires of any employee (or contractor acting on behalf of the Trust) and all employees (or contractors acting on behalf on the Trust) are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain legal advice or other independent professional advice.

The Committee is authorised to request the attendance of individuals and authorities from inside or outside of the Trust with relevant experience and expertise, where it considers this is necessary or expedient to the carrying out of its functions.

Trust Standing Orders and Standing Financial Instructions apply to the operation of the Committee.

## **3. Main Priority and Objective**

The Integrated Performance Committee shall provide the Board of Directors with a means of independent and objective review and assurance to the Board of the Trust's current and forecast performance. The Committee's main priority is to review and scrutinise assurances that the Trust is operating and will continue to operate within the terms of its licence, regulatory requirements and statutory obligations. In particular, it shall:

- Ensure that appropriate data quality standards are set and compliance with these standards is monitored.

## **4. Duties and Responsibilities**

The Committee will focus on the current and forecast performance against all regulatory and statutory targets.

Specifically, the Committee will:

i) **Annual Plan and in-year returns:** review the integrity of data prior to submission

ii) **Integrated Governance:** Receive assurance in relation to:

- Current and forecast financial and operational performance against annual plan submitted to NHS Improvement

- CIP progress
- Contract performance
- Financial and operational performance at directorate and service line level
- Capital planning
- Productivity
- Relevant Workforce metrics

**iii) Regulatory and statutory guidance:**

- Receive reports which summarise new and emerging guidance from regulators and external agencies
- Receive external assurance reports from regulatory bodies and external agencies on matters falling within the remit of the Committee
- Receive assurance on relevant workforce metrics

**iv) Risk**

The Committee will consider and seek assurances in relation to any risks relating to its remit and will identify and escalate any new or emerging risks arising from its work, through the BAF key issues reporting process.

v) Consider urgent or material matters referred to the Committee by the Operational Board, Audit Committee or Board of Directors

## **5. Equality and Diversity**

Ensure that equality and diversity and due consideration to the Human Rights Act are regarded in all aspects of the committee's work. This will include review of any equity analyses that are commissioned against the Trusts clinical services portfolio.

In addition the Committee will have regard for NHS Constitution in delivering its objectives.

## **6. Integration**

The Committee will support the integration of clinical, organisational and financial governance across the Trust.

## **7. Membership**

Three nominated Non-Executive Directors, one of whom will be the Chair and one the Vice Chair.

In attendance at all meetings:

Chief Finance Officer



Chief Operating Officer

All of the above to appoint a nominated Deputy who will attend in his / her absence

The Committee may invite other officers to attend meetings as required.

All Board members have a right to attend any meeting of the Committee.

## **8. Quorum and Frequency**

In order for decisions taken by the Committee to be valid, the meeting must be quorate. The Chair or Vice Chair plus one other member of the Committee must be present at the point when any business is transacted.

The Committee will meet quarterly (4 times per year).

The Chair may at any time call an extraordinary meeting to deal with urgent matters.

## **9. Reporting**

The Committee Chair will provide a BAF Key Issues Report to the Board of Directors following each meeting, along with approved minutes and an annual report, which will include a review of the Committee's Terms of Reference.

The Chair of the Committee will escalate urgent matters and exceptions to the Board and / or Audit Committee in-between meetings as deemed appropriate.

## **10. Conduct of Meetings**

The Chair of the committee will be supported by a lead Executive Director who will ensure that the appropriate processes are followed:

- Minutes and action log are accurate, comprehensive and timely
- The agenda and supporting papers are sent out to committee members 5 working days prior to the meeting, unless authorised by the Chair for exceptional circumstances
- Authors of papers presented must use the required template and adhere to BAF Policy.
- Presenters of papers can expect all committee members to have read the papers and should keep to a summary that outlines the purpose of their paper/report and key issues.
- Committee members and those in regular attendance should actively participate in discussions pertaining to the agenda, ensuring that solutions and action plans have multidisciplinary perspectives and consideration of Trust-wide impact