



GOVERNING BODY MEETING

Date of meeting	Tuesday 24 May 2016	Agenda item number	25
Title of report	Annual Report of the Finance and Performance Committee 2015/16		
Paper Presented by:	David Walsh, Finance Manager		
Paper prepared by:	Judith Williams, Head of Finance and Business Support		

CCG strategic objective supported by this paper: (please tick ✓)	Develop and maintain an effective organisation	✓
	Commission high quality, safe and cost effective services which reduce health inequalities and improve access to healthcare	
	Effectively engage patients and the public in decision making	
	Develop excellent partnerships which lead to improved health outcomes	
	Make the best use of resources	✓

Purpose of report
To present the Annual Report of the Finance and Performance Committee 2015/16. The report was received by the Finance and Performance Committee on 26 April 2016 and commended to the Governing Body for agreement.
Recommendation
The Governing Body is asked to agree the Annual Report of the Finance and Performance Committee 2015/16.

Please indicate which Group this has been discussed with (please tick ✓)			
Executive Management Team		Quality Improvement and Governance Cttee	
Clinical Commissioning Committee		Finance and Performance Committee	✓
Audit Committee		Remuneration Committee	
Council of Members		Other/Not Applicable	
Patient and Public Engagement:	Supports transparency and openness.		
Equality Impact Assessment:	N/A		
Resource Implication(s):	None		
For further information please contact:	Judith Williams, ext. 3224		

**Annual Report of the Finance &
Performance Committee for the Year
Ended 31 March 2016**

**NHS Fylde and Wyre Clinical Commissioning Group
Annual Report of the Finance & Performance Committee**

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**NHS Fylde and Wyre Clinical Commissioning Group
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Role of the Finance & Performance Committee

Fylde and Wyre Clinical Commissioning Group (CCG) was licensed by NHS England to operate “without conditions” with effect from April 2013.

The Finance & Performance Committee was established in accordance with Fylde and Wyre CCG’s Constitution and its Terms of Reference agreed at its first meeting in 2013. The Terms of Reference were then agreed at meetings of both the Governing Body and the Group’s Member Council.

The role of the Finance & Performance Committee is to provide assurance to the Governing Body around the monitoring of the organisation’s financial position, contract performance and sanctions, estates matters, information governance and the annual budget setting process under delegated authority.

Composition of the Finance & Performance Committee

The Committee operates in accordance with the Terms of Reference agreed in 2013 and embodied in the CCG’s Constitution and reapproved in 2016 at Governing Body. It has met on eleven occasions during the year ended 31 March 2016 and each member’s attendance at these meetings satisfies the frequency of attendance criterion as set out in the Terms of Reference. Committee membership comprises the Elected Governing Body Clinical Lead for Contracts, Performance & Finance (who is also the chair), the Chief Finance Officer, the Clinical Chief Officer, the Chief Operating Officer, the Elected Governing Body Clinical Lead, the Head of Finance and the Clinical Commissioning Group Chair. Other attendees include the Finance & Business Manager, the Information Governance Manager, the Head of Information Management, the Head of Contracts and other relevant Commissioners or Lay members.

In addition, other officers have or will be invited to attend the Committee where it is felt that to do so would assist the committee to fulfil its responsibilities effectively.

Financial Position and Monitoring

The Financial position and achievement of financial duties was reported on each month. Risks and mitigations to the monthly position and year end forecast were discussed and any future actions agreed upon to be actioned by the Finance team and other staff.

Contract Performance and Review

Throughout the year the Committee has received reports from the Head of Contracts in relation to activity performance from the Acute Providers. These reports have been analysed to highlight exceptions from planned activity and correlated to the financial position. The Committee have discussed potential remedial actions and authorised interventions with Providers if deemed appropriate.

Information Governance and Information Management

Information Governance reports were presented to the Committee on a bi monthly basis by the Head of Information Governance. The majority of the reports related to progress against the Information Governance Toolkit attainment and training compliance by staff. Committee has endorsed additional training to meet required performance indicators against this target.

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The Head of Information Management presented a variety of papers to Committee throughout the year regarding plans for future investment, information and digital strategies and progress reports on clinical systems upgrades. These were commented on by members and appropriate amendments suggested.

Estates

The Committee has reviewed and considered the ongoing work and Estates Strategy by:

- Discussing and agreeing the nature and scope of the CCG Estates work
- Considering progress against the Project Initiation Documents submitted by the CCG
- Reviewing the Estates Strategy and giving progress reports on capital schemes

Budget Setting and Planning

The Committee reviewed and approved the proposed budgets for 2016-17 under delegated authority from the Governing Body. The 5 year plan submission was also considered and discussed prior to its submission to NHS England.

Service Issues and Financial Decisions (including Business Cases)

Prior to the streamlining of the Commissioning process, business cases were submitted first to this Committee. Several business cases were considered as part of this process and reviewed for Value for Money, Efficiency and Effectiveness of investment made.

Following the Commissioning changes, the Head of Finance presented a paper entitled "Financial Decisions from other Committees" which detailed those decisions made at other Committee and Management Team meetings which involved a financial decision being made which committed resources. This change took place with effect from September 2015.

Conclusion

This report encapsulates the work of the Finance & Performance Committee and it is considered that this Committee is now well established and functioning effectively. Detailed papers submitted are available to view by interested parties and any initial queries can be directed to the Head of Finance.

Judith Williams
Head of Finance & Development

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Appendices:

NHS Fylde and Wyre Clinical Commissioning Group Finance and Performance Committee Terms of Reference

1. CONSTITUTION

- a) The Clinical Commissioning Group's Governing Body hereby resolves to establish a Committee of the Governing Body known as the Finance and Performance Committee. The Committee is established in accordance with Fylde and Wyre Clinical Commissioning Group's Constitution, Standing Orders and Scheme of Delegation.
- b) These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Group and shall have effect as if incorporated into the CCG's constitution and standing orders.

2. ACCOUNTABILITY

- a) The committee is accountable to the Governing Body and the Group's Member Council. Any changes to these terms of reference must be agreed with the Governing Body and approved by the Group's Member Council.

3. PURPOSE

- a) To provide a performance framework which proactively manages the CCG's Financial, Performance and Quality Innovation, Productivity and Prevention (QIPP) agenda.
- b) To provide assurance in the delivery of these areas to the Governing Body, reviewing and approving performance reports prior to submission to the Group. To hold to account the Clinical Leads and the Senior Management Team of the CCG for their responsible areas, and will require full delivery plans by exception. To provide assurance in the delivery of these areas to the Area Team and NHS England.

4. MEMBERSHIP AND ATTENDEES

- a) The Finance and Performance Committee comprises the following voting members:
 - i. The Group's Chief Finance Officer
 - ii. The Group's Chief Operating Officer
 - iii. The Group's Clinical Chief Officer (Accountable Officer)
 - iv. Elected Governing Body Clinical Lead for Contracts Finance and
 - v. Performance
 - vi. Elected Governing Body Clinical Lead
 - vii. The Group's Head of Finance
 - viii. The Group's Chair
- b) The elected Governing Body clinical lead for Finance and Performance will usually chair the committee.

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- c) The Committee Vice Chair is the Chief Finance Officer who will act in the event that the Chair is unavailable and the Head of Finance will act as proxy for the Chief Finance Officer in the event that the Chief Finance Officer and the elected Governing Body clinical lead is unavailable.
- d) Membership will be reviewed regularly to adjust for changes as required by the purpose of the Committee.
- e) Members who cannot attend may send a named deputy. Deputies will have the decision-making and voting rights of the person he/she is representing.
- f) The committee may also extend invitations to other personnel with relevant skills, experience or expertise as necessary to enable it to deal with matters before the committee.

5. QUORUM

- a) A minimum of four members will constitute a quorum, so long as this includes a minimum of two elected Governing Body Clinical Leads and a minimum of two members of the Senior Management Team.
- b) A decision put to a vote at the meeting shall be determined by a majority of the votes of members and deputies present. In the case of an equal vote, the Chair of the Committee shall have a second and casting vote.

6. MEETINGS

- a) The Finance and Performance Committee will meet at least four times per year.
- b) Other meetings may be convened as appropriate to deal with relevant business including meetings via telephone or video conference.
- c) The CCG will nominate a member of staff to act as Secretary to the Committee. Their responsibility will be to assist the Chair in convening meetings, preparing agendas and papers and keeping the minutes of the meeting and generally ensuring that the administrative arrangements for the Committee comply with the standards set by the CCG for the conduct of all meetings.

7. AUTHORITY

- a) The committee is authorised to:
 - i. investigate any activity within its terms of reference and produce an annual work programme to discharge its responsibilities
 - ii. take responsibility for ensuring compliance with the principles of good governance and the Group's constitution when undertaking its terms of reference
 - iii. establish and approve the terms of reference of such sub-reporting

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groups, or task and finish groups as it believes are necessary to fulfil its terms of reference

- iv. This Committee is empowered to take decisions in committing and authorising expenditure to the level of authority which is held by the lead Executive Director on the Committee, providing that is with the agreed support of the Committee Chair. That level of authority shall be that declared in the CCG's latest approved Scheme of Delegation.

8. DUTIES

8.1. General

- a) The Committee will review and have oversight of finance and performance in relation to the following areas:
 - i. performance against national and local targets
 - ii. 'in year' financial position; receiving a detailed report of the financial position and progress towards meeting the targets within the CCG financial plan
 - iii. implementation of QIPP schemes; receive updates on both the financial and activity performance of each scheme
 - iv. achievement against CCG incentive schemes; receive a report of the actual and forecast performance to inform the achievement of incentive schemes
 - v. implementation of investments / transformation schemes; receive updates
 - vi. outlining financial, activity and delivery against key performance indicators for each scheme
- b) Recommend the Group's long term and annual financial plans to the Governing Body and maintain oversight of the implementation of those plans
- c) Receive and review departmental delivery plans for indicators or performance areas by exception.
- d) Challenge delivery plans produced to achieve targets or improve performance.
- e) Resolve key performance issues raised by accountable members of the Senior Management Team.
- f) Identify and allocate resources where appropriate to improve performance.
- g) Agree an annual work programme for the committee
- h) The committee shall endorse the self-assessment approach to be used by all Governing Body committees and will incorporate the results of the assessment as part of their annual report

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8.2. Finance and Operational Management

- a) Ensure that the management arrangements for the Group are appropriate to discharge the Group's responsibilities and have oversight of those arrangements, ensuring that they comply with relevant legislation including HR, E&D and H&S requirements.
- b) Ensure that there are effective arrangements and financial procedures in place, including budgetary controls, to support delivery of the Group's financial management and financial targets.
- c) Undertake detailed monitoring against the Group's financial operational plans and in accordance with the committee's delegated responsibilities, determine action to improve performance.
- d) Oversee the corporate work programmes that support delivery of the Group's commissioning and operational plans including the Group's:
 - i. financial management
 - ii. delivery against the group's contracts and performance against key targets
 - iii. corporate commissioning support arrangements
 - iv. systems of internal control
 - v. Within delegated limits approve individual funding requests

8.3. Governance

- a) Develop and propose to the Governing Body and Member Council, and keep under review, the Group's constitution, with specific reference to its scheme of reservation and delegation, standing orders and its prime financial and procurement policies.
- b) Recommend for approval to the Governing Body the Group's operational scheme of delegation, incorporating financial thresholds for decision taking.
- c) Develop, monitor and propose to the Governing Body and maintain oversight of the Group's arrangements for:
 - managing conflicts of interests;
 - ensuring compliance with best procurement practices
 - obtaining legal and professional advice
 - internal control
 - emergency planning
 - information governance, including information sharing protocols
- d) Implement key standards in relation to Information Governance including:
 - Monitoring Information Governance performance using the Information Governance Toolkit hosted by the Health and Social Care Information Centre (HSCIC)
 - Approval of Information Governance policies and procedures

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- Ensuring any new information sharing and systems are approved to Information Governance requirements
 - Regular reports are received on Information Governance incidents and issues
- e) Review and where authorised approve, the Group's operational policies,
- f) as set out in the group's scheme of reservation and delegation.
- g) Within delegated limits, approve the service specification for corporate governance commissioning support and for managing the service level agreement for that support

9. REPORTING

- a) The committee will have the following reporting responsibilities:
- i. To ensure that the minutes of the Finance and Performance Committee are formally recorded and submitted to the CCG Governing Body.
 - ii. The Finance and Performance Committee will produce a bi-monthly report for the Fylde and Wyre CCG Governing Body in the form of a performance dashboard report. This report will also be received by the Member Council when available.
 - iii. to ensure that conflicts and/or interests are managed in accordance with the Group's policies and procedures.
 - iv. to bring to the attention of the Governing Body in a separate report, any items of specific concern which require Governing Body's approval to act.
 - v. to provide exception reports to the Governing Body, highlighting any key developments /achievements or potential risks/ issues.

10. RESPONSIBILITY OF COMMITTEE MEMBERS AND ATTENDEES

Members of the committee have a responsibility to:

- a) attend 75% of meetings, having read all papers beforehand
- b) act as 'champions', disseminating information and good practice as appropriate
- c) identify agenda items to the secretary ten working days before the meeting
- d) submit papers for distribution at least five working days before the meeting

11. ADMINISTRATIVE ARRANGEMENTS

The Secretary to the Committee will ensure:

- i. correct minutes are taken, and once agreed by the chair ensure distribution of the minutes to the members of the Committee
- ii. conflicts of interest are recorded along with the arrangements for managing those conflicts
- iii. a record of matters arising is produced with issues to be carried forward
- iv. an action list is produced following each meeting and ensuring any outstanding action is carried forward on the action list until complete
- v. they provide appropriate support to the chair and committee members
- vi. the agenda is agreed with the chair prior to sending papers to members no later than five working days before the meeting

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- vii. the annual programme of work of the Committee is up to date and distributed at each meeting
- viii. the minutes of the meeting are distributed within five working days of the meeting taking place
- ix. the papers of the committee are filed in accordance with the Group's policies and procedures

12. REVIEW

- a) The Committee shall conduct its business in accordance with national guidance, relevant codes of practice including the Nolan Principles and the Conflict of Interest policy.
- b) The Committee will review its own performance, membership and terms of reference annually or sooner if required.
- c) An annual report of its performance, membership and terms of reference with recommendations will be submitted to the Governing Body for agreement and to the Group's Member Council for approval.

February 2014
September 2014

Approved: Governing Body – 19 January 2016

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Matrix of Agenda Items Covered:

Agenda Item	19 May 2015	30 June 2015	28 July 2015	29 September 2015	27 October 2015
Apologies for Absence	1	1	1	1	1
Any other matters of urgent business	3	3	3	3	3
Declarations of Interest	2	2	2	2	2
Minutes of last meeting held on	4 31 Mar 15	4 19 May 15	4 30 Jun 15	4 28 Jul 15	3 29 Sep 15
Matters Arising and Action Plans	5	5	5	5	5
3 Fleetwood Neighbourhood HVS				6	
4 – IAPT and Dementia Performance				6	
Action Sheet and Receipt Updates	6	6	6		
Annual Audit Letter 2014/15			17		
Approval of Corporate Policies: Conflicts of Interest Policy			10		
CAHMS Transformation Plan					8.3
Calderstones Service and Funding Arrangements				8	
CHC Retrospective Reviews	18				
Community Data Blackpool Teaching Hospitals NHS FT					10
Consultancy Spending Requirements				17	
Contract Performance and Quality Group					14.4 ?
Contract Performance and Sanctions					9 Month 5
Contract Sign Off Update	12	10.1 Contract Sign Off			
Contracting and Performance Report	Month 12		Month 2	Month 4	
Detailed Budgets – Running Costs		5.1			
Diabetes Type 2 Structured Education Procurement	7				
Extensive Care Update		12			
Feedback from Previous Meeting					
Final 15-16 planning submission					

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Finance Awareness Presentation					
Financial Control Environment					
Financial Decisions				10	8
Financial Position of the Organisation	11 Month 12	11 Month 2	13 Month 3	12 Month 5	7 Month 6
Fleetwood HVS					8.2
Fleetwood Neighbourhood – Enhanced Primary Care – Home Visiting Service		13			
Gateway Documents for Sign Off:	9.2	9.2	7.2		
IM&T – COIN Business Case	17				
Information Governance Policy				7.2	
Information Governance Update	8	7 Bi-Monthly Report		7.1	
IPA Performance Report				14	
Lancashire Hosted Contract Highlight/Exception Report	14				
Lancashire Wide Dashboard				15	5.1
Lead Provider Framework				16	
Lockwood Avenue					8.1
Lockwood Development capital Funding		15	16	19	12
Lockwood/Poulton Extensive Care Facility		15			
New Models of Care Full Business Case		5.1			
New Models of Care/Vanguard Update			14	13	11
Neighbourhood Business Case: Lytham			8		
Performance and Contract Report	10	10	11	11	
Personal Health Budgets Implementation		14			
PMO Dashboard	9.1	9.1	7.1		
Poulton, Thornton and Over Wyre Care Homes Assessment Team – Cost Benefit Analysis		5.2			
Prescribing Budgets and Reporting		8	15		
Primary Urgent Care Procurement				18	
Procurement Update			12	13	

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Programme Management Office	9	9	7		
PTS Procurement		13			
Running Costs	16				
Streamlined Commissioning Process			9		
Terms of Reference				9	
Minutes to be received:	19 Not listed	16	18	20	14
Finance and Performance Committee					6 Workplan
BTH Contract Review Board		16.1 30 Apr 15	18.1 12 Jun 15	20.1 24 Aug 15	14.1 28 Sep 15
LCFT Contract Management Executive Community Meeting				20.2 21 Aug 15	
LCFT Contract Management Executive Mental Health Meeting				20.3 4 Jun 15	14.2 28 Aug 15
LTHFT Contract Review Meeting				20.4 30 Jul 15	
Fylde and Wyre CCG Contract Performance and Quality Review		16.2 15 May15			
Lancashire Contract Consortium		16.3 28 May 15		20.5 30 Jul 15	14.3 27 Aug 15
Spire Contract Review Meeting				20.6 17 Jul 15	
Any Other Business	20	17		21	15

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FINANCE AND PERFORMANCE COMMITTEE 2016/17

Annual Work Programme

	Regularity	Apr	May	June	July	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Finance Report	M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
- Month 9 Close & Audit Process	A									✓		
- Month 12 Year end process & Audit	A	✓	✓									
Performance Report	M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Governance	2M	✓		✓		✓		✓		✓		✓
Estates / Capital	Q	✓			✓			✓			✓	
IT	Q		✓			✓			✓			✓
GP IT	6M			✓						✓		
Budget Setting incl SOD	A									✓		✓
Allocations	A									✓		✓
Annual Running Costs	A									✓		✓
Financial Planning	A								✓	✓	✓	✓
Focus On												
Contracting Acute	M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Contracting Community	Q		✓			✓			✓			✓
Contracting Mental Health	Q	✓			✓			✓			✓	
Contracting Learning Disabilities	6M				✓						✓	
Contracting NMOC/Vanguard	Q			✓			✓			✓		✓
Contracting Primary Care	2M		✓		✓		✓		✓		✓	
Prescribing	2M	✓		✓		✓		✓		✓		✓

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Running costs	6M				✓						✓	
PMO Dashboard	Q		✓			✓		✓			✓	
						AUG						
Procurements	Adhoc											
Community Activity	A						✓					
Programme Budgeting	A						✓					
Benchmarking Reviews	Q		✓			✓			✓			✓
Continuing Healthcare	Q	✓			✓			✓			✓	
NMOC Programme, Financial Aspects	Adhoc											
Neighbourhood Spend	Adhoc											
QIPP	Q			✓			✓			✓		
TORs	A						✓					
Annual Review / Report of committee	A										✓	
Corporate Projects - Finances	Adhoc											