

# NHS Thames Valley Integrated Care Board

## Finance and Performance Committee

### Terms of Reference

#### 1. Constitution

The Finance and Performance Committee (the Committee) is established by NHS Thames Valley Integrated Care Board (ICB) as a committee of the board in accordance with its Constitution.

These Terms of Reference (ToR), which must be published on the ICB website, set out the membership, the remit, responsibilities, and reporting arrangements of the Committee and may only be changed with the approval of the board.

#### 2. Authority

The Committee is authorised by the board to:

- Investigate any activity within its terms of reference;
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these terms of reference;
- Commission any reports it deems necessary to help fulfil its obligations;
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice;
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may/ not delegate any decisions to such groups.

For the avoidance of doubt, the Committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the SoRD.

#### 3. Purpose

The Committee is established by the board to review the financial and non-financial targets of the ICB, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively.

The committee will provide assurance to the Board that delivery of both financial and non-financial performance is robust and soundly based.

The duties of the Committee will be driven by the organisation's objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however this will be flexible to new and emerging priorities and risks.

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

#### **4. Membership and attendance**

##### Membership

The Committee members shall be appointed by the board in accordance with the ICB Constitution.

The board will appoint no fewer than *five* members of the committee. Members of the Committee need not be members of the board, but they may be.

When determining the membership of the Committee, active consideration will be made to diversity and equality.

Membership will comprise of:

- Non-Executive Member and Chair of the Committee
- Non-Executive Member and Deputy Chair of the Committee
- Non-Executive Member
- Non-Executive Member
- Provider Chief Finance Officer – Acute
- Provider Chief Finance Officer – M Health & Community
- Chief Finance Officer
- Chief Nursing Officer
- Chief System Development and Engagement Officer
- Chief Strategy and Digital Officer
- Executive Delivery Officer

##### Chair

The Committee will be chaired by a Non-Executive Member of the board appointed on account of their specific knowledge skills and experience making them suitable to chair the committee.

Committee members may appoint a Vice Chair from among the voting Non-Executive membership of the Committee.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

##### Attendees

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee will also be attended by the following individuals who are not members of the Committee:

- Director of System Financial Sustainability
- Director of Strategic Finance
- Director of Finance – Business Partnering
- Director of Operational Finance
- Deputy Chief Finance Officer
- Head of Financial Accounts
- Financial Controller
- Associate Director of Contracting & Procurement
- Associate Director of Contracting and Procurement

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter.

The Chief Executive should be invited to attend the meeting at least annually.

The Chair of the ICB may also be invited to attend one meeting each year in order to gain an understanding of the Committee's operations.

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

## **5. Meetings Quoracy and Decisions**

The Committee will meet at least 6 times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The board, Chair or Chief Executive may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

### Quorum

The quorum for meetings of the Committee will be *four* members, including:

- a) Chair or Deputy Chair
- b) At least one other Non-Executive Member
- c) At least two Executive Members
- d) At least one Provider CFO (if required a deputy CFO could attend)

If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

#### Decision making and voting

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

## **6. Responsibilities**

The Committee's duties can be categorised as follows:

- Assess the resource requirements needed to deliver the annual integrated plan;
- Monitor progress against plan, to ensure delivery is achieved within the resources allocated;
- Ensure the production of the ICB's Financial and Capital Plans setting out the overall direction; and
- Develop and monitor a Finance, Capital and Performance annual business cycle of work.
- Escalate complex, significant or recurrent financial and performance risks to the Risk Oversight Group.
- Ensure that there are suitable financial systems in place that enable the system to meet financial targets set by NHSE England

#### Performance Oversight

- Oversee and monitor performance against the NHS performance measurement regime, and other local and national targets as required, and ensure that corrective management actions plans are being implemented;

- Support the development of a performance culture within the board which will drive continuous quality improvement; and
- Adopt a risk-based approach to performance through routine review of the risks delegated to the committee, focussing on areas of corporate concern identified as requiring an additional strategic and collective approach to ensure delivery against performance targets.

### Financial Strategy

- Oversee development of the ICB's Financial Strategy in support of the Operational Plan, including aligning services and financial & Capital planning arrangements;
- Examining in detail the financial plan to ensure that planning assumptions are soundly based and reflect known pressures, potential investments and opportunities for better use of resources leading to cost reduction;
- Recommend for approval the annual financial plan that is consistent with statutory financial responsibilities.

### Financial Management

- Receive and consider reports on the ICB's revenue performance to ensure appropriate scrutiny and ensure corrective management action plans are in place to address emerging issues;
- Monitor the deliverability of the overall efficiency programme reflecting on both the in year delivery and also longer-term underlying financial sustainability through delivery of recurring savings target; and
- Review and consider management action plans to address services longer term sustainability and reducing reliance on temporary staff outside standard NHS terms and conditions of employment.
- Oversee the ICB's processes for contracting and tendering in line with the detailed financial scheme of delegation
- Approval of write off of losses (within limits delegated DoHSC)

### Financial Investment

- Ensure robust appraisal around business case development and delivery;
- Scrutinise business cases for proposed investment (both revenue and capital) ensuring that outcomes and benefits are clearly defined, are measurable and support key objectives delivery; and
- Monitor delivery of approved investment projects against agreed outcomes and benefits; and
- Ensure appropriate management action is taken to address any shortcomings.

## **7. Behaviours and Conduct**

The committee members will:

- Collaborate towards system-level improvement, maturity and greater independence.

- Share expertise and benchmarking across organisations in the system.

Members will be expected to conduct business in line with the ICB values and objectives.

Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, Conflicts of Interest Policy, and Standards of Business Conduct Policy.

#### Equality and diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

### **8. Accountability and reporting**

The Committee is accountable to the board and shall report to the board on how it discharges its responsibilities.

The minutes of the meetings shall be formally recorded by the secretary and submitted to the board in accordance with the Standing Orders.

The Chair will provide assurance reports to the board at each meeting and shall draw to the attention of the board any issues that require disclosure to the board or require action.

The Committee will provide the board with an Annual Report, timed to support finalisation of the accounts and the Governance Statement. The report will summarise its conclusions from the work it has done during the year.

#### Secretariat and Administration

The Committee shall be supported with a secretariat function which will include ensuring that:

- The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead;
- Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements;
- Records of members' appointments and renewal dates and the board is prompted to renew membership and identify new members where necessary;
- Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept;
- The Chair is supported to prepare and deliver reports to the board;

- The Committee is updated on pertinent issues/ areas of interest/ policy developments;
- Action points are taken forward between meetings and progress against those actions is monitored.

### Ways of Working

All members of the Committee will have due regard to and operate within the Constitutions of the Partners, their Standing Orders, Standing Financial Instructions and other financial procedures.

Members of the Committee will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.

Members of the Committee must demonstrably consider the equality and diversity implications of decisions they make and consider whether any new resource allocation achieves positive change around inclusion, equality and diversity.

A Register of Interests will be reviewed at each Committee meeting. Those in attendance will be asked by the Chair of the Committee to declare any interests at the beginning of each meeting. If a member of the Committee feels compromised by any agenda item, they should declare a conflict of interest and agreement reached as the action to be taken as set out in the Partners' Conflicts of Interest Policy.

If necessary, the Committee may draw on third-party support to assist it in resolving any disputes, such as peer review or support from NHS England.

## **9. Review**

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the board for approval.

Version	Date	Approved by	Review	Type of changes