

FINANCE AND PERFORMANCE COMMITTEE TERMS OF REFERENCE 4 February 2019



Agenda Item No: 12.3

FINANCE AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

<p>Trust Strategic Objectives</p>	<ol style="list-style-type: none"> 1. To have an effective and well integrated health and care system that operates efficiently. 2. Proactively seek opportunities to develop our services. 3. Create a culture of compassion, safety and quality. 4. Attract, retain and develop our staff and improve employee engagement. 5. Maintain financial health – appropriate investment to patient services. 6. Be in the top 25% for key performance measures
<p>BAF & Trust Risks</p>	<p>SR8 That there is a failure to deliver recurrent CIP's.</p> <p>SR9 That the underlying deficit that the Trust has (in 2018/19) is not eliminated in medium term to bring the Trust back to financial surplus.</p>
<p>Meeting Purpose/Remit</p>	<p>To provide assurance to the Board on the effective financial and external performance targets of the organisation. It will also support the development, implementation and delivery of the Medium Term Financial Plan (MTFP) and the efficient use of financial resources.in order to review the Trusts Financial strategy, performance and business development.</p>
<p>Responsibilities</p>	<ol style="list-style-type: none"> 1. Utilise the assurance reporting processes (BAF/TRR) to inform the Trust Board of Finance, performance, investment or related risk and redress actions. 2. Review annual plan modelling assumptions and in particular capital and revenue allocations as well as activity and investment assumptions. 3. Review and endorsement of the annual revenue and capital budgets before they are presented to the Board for approval. 4. Approve the development of financial and contractual reporting in line with best practice. 5. Monitor income and expenditure against planned levels and make recommendations for corrective action should excess variances occur. 6. To receive and review the trust wide and divisional reports on finance and contractual performance and CIP before they are presented to the Board. The focus will be on forecast outturn, risks to delivering the plan and the mitigation plans. 7. Review expenditure against the agreed capital plan. 8. Review any matters which impact adversely on the financial performance or reputation of the Trust. 9. Oversee the development of Service line reporting. 10. Approve financial returns prior to submission to any external accountable authority, e.g. reference costs, ERIC, etc. (other than NHSI monthly returns due to timeliness) 11. Ensure the appropriate training and support is in place for budget holders/managers. 12. To make arrangements as necessary to ensure that all members of the Board and senior officers of the trust maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust. 13. Periodically review financial policies and procedures including scheme of

	<p>delegation etc. to ensure that they are still relevant and appropriate.</p> <ol style="list-style-type: none"> 14. Review financial and contractual performance against the main healthcare contracts. 15. Receive reports regarding contract negotiations and progress in agreeing contracts with the Commissioning bodies. 16. In line with the NHSI, assess if any proposed investments should be reported to NHSI in the annual planning process or in year prior to financial closure. 17. To receive and undertake investment appraisals of submitted developments and maintain an oversight of the Trust's investments, ensuring compliance with the Trust's policy and external requirements to ensure that capital investments and transactions comply with the latest NHSI guidance. Ensure risks of any investments are properly evaluated and risk management arrangements put in place, including:- <ol style="list-style-type: none"> a. Obtaining independent professional advice where appropriate. b. Evaluate, scrutinise and monitor investments. c. Ensure Investments are supported by relevant stakeholders. d. To examine any relevant matters referred to it by the Board of Directors. 18. To examine any relevant matters referred to it by the Board of Directors. 19. To receive reports regarding new business and tender opportunities and the progress of tenders.
<p>Authority & Accountabilities</p>	<p>The Finance and Performance Committee is established pursuant to the Standing Orders. The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee shall transact its business in accordance with national/local policy and in conformity with the principles and values of public service (GP01).</p>
<p>Reporting Arrangements</p>	<p>The minutes will be submitted to the Trust Board, and the Chair shall report on the main issues discussed and decisions made, highlighting any matters of concern or significant risks identified.</p>
<p>Membership</p>	<p>Chair of Committee Two Non-Executive Directors Chief Operating Officer Chief Financial Officer Director of Workforce Director of Strategic Planning & Performance</p>
<p>Attendance</p>	<p>Chairman of the Trust Chief Executive Deputy Chief Operating Officer – Division 1 Deputy Chief Operating Officer – Division 2 Deputy Chief Operating Officer – Division 3 Divisional Manager – Estates and Facilities Deputy Chief Financial Officer Deputy Director of Strategic Planning & Performance</p>

Chair	Non-Executive Director appointed by the Trust Board, and if he/she is absent another NED from those present at the meeting
Quorum	4 members must be present and must include the Chief Financial Officer or the Deputy Chief Financial Officer; another Executive Director and one Non-Executive Director.
Frequency of meetings	Monthly
Administrative support	The Planning and Performance Department will provide administrative support. Agenda and papers will be circulated two days prior to the meeting.
Standards	Standing Orders Monitor Risk Assessment Framework Monitor guidance on Investments decisions for NHS Foundation Trusts
Standard agenda	Yes
Subgroups	<ul style="list-style-type: none"> • Capital Review Group • Financial Recovery Board • Contracting and Commissioning Group • Operational Performance Review Group
Date Approved	19 th December 2018
Date Review	22 nd January 2020