

## **Finance and Performance Committee**

### **Terms of Reference**

#### **1. Authority**

- 1.1 The Finance and Performance Committee is a non-statutory standing sub-committee of the Trust Board established to provide advice and assurance to the Board on the effectiveness of the financial strategy and planning, on the operational performance of the Trust and on the commercial strategy, strategic investments and development of the Trust infrastructure.
- 1.2 It has no executive powers other than those specifically delegated in these Terms of Reference. The Terms of Reference can only be amended with the approval of the Trust Board. The committee is authorised by the Trust Board to investigate any activity within its terms of reference.
- 1.3 The Committee is authorised to seek any information it requires from any member of staff and all members of staff are required to co-operate with any request made by the Committee.
- 1.4 The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of others with relevant experience and expertise it considers necessary.

#### **2. Purpose of the Committee**

- 2.1 The Finance and Safety Committee is responsible for providing the Trust Board with assurance on all aspects of financial, capital, and estates governance and management structures, systems, processes and controls. Ensuring these are being robustly managed, and on the effective operational performance of the organisation, with a focus the constitutional standards and effective and efficient use of resources and assets. It is responsible for ensuring that the organisation is meeting statutory and regulatory reporting standards and requirements; including constitutional standards.
- 2.2 The Committee is responsible for overseeing on behalf of the Board the development and monitoring of the following strategies:
  - Capital Strategy
  - Estates and infrastructure Strategies including the New Build Hospital
  - Commercial strategy
  - Digital strategy including (digital, cyber and data security)
  - Annual Operational plan

#### **3. Membership**

- 3.1 Members of the Committee shall be appointed by Trust Board and should include at least three Non- Executive Directors and at least three Executive Team members which will include:
  - The Chief Executive
  - The Deputy Chief Executive
  - Director of Finance

- Chief Operating Officer
- 3.2 One of the Non-Executive Directors will be appointed as the Chair of the Committee and another as the Vice Chair.
- 3.3 The Chair shall have an open invitation to attend all meetings of the Committee.
- 3.4 The Council of Governors may nominate up to two Governors to attend as observers. The Chair of the Committee may, in exceptional circumstances, exclude a Governor from being present for specific items.
- 3.5 The Chair may request attendance by relevant staff at any meeting.

#### **4. Quorum**

- 4.1 The quorum for any meeting of the Committee shall be a minimum of four committee members, including two Non-Executive Directors and two Executive Directors.
- 4.2 If a member of the Committee is unable to attend they should nominate a deputy subject to the agreement of the Chief Executive and the Chair of the Committee. Deputies will be counted for the purposes of the quorum.
- 4.3 An attendance record of attendance will be kept and reported in the Annual Report from the Committee to the Board and in the Annual Report.

#### **5. Frequency of meetings**

- 5.1 Meetings of the Committee shall be held a minimum of six times a year, scheduled to support the business cycle of the Trust and at such other times as the Chair of the Committee shall identify.

#### **6. Specific Duties**

- 6.1 The Finance and Performance Committee shall oversee and provide assurance to the Board on the following areas:
- Reviewing and monitoring the delivery of strategies within its remit
  - Reviewing financial planning, assumptions and forecasting in relation to budgets, balance sheet (debtors, creditors and asset valuations), capital, savings and transformation improvement plans and ensuring these are efficiently and effectively managed.
  - Reviewing and recommending to the Board the Annual Financial Plan and the Annual Operational plan.
  - Review and monitor key performance indicators and constitutional standards following engagement with other assurance committees as required and reviewing progress against it.
  - Monitor the outputs of the Performance management framework utilising the integrated performance report.
  - Providing advice and support on significant financial and commercial policies prior to recommendation at the Board for approval (where required). This includes policies related to costings, revenue, capital, working capital, treasury management, investments and benefits realisation.

- Reviewing and recommending changes to the Board in respect of Standing Financial Instructions – in association with the Audit and Risk Committee
- Monitoring the effectiveness of the Trusts financial and operational performance reporting systems, and KPIs, ensuring the Board is assured of ongoing compliance through its annual reporting processes and reporting by exception to the Board where required.
- Review and approve business cases in line with the scheme of delegation requirements
- Ensure on behalf of the Board that current statutory and regulatory compliance and reporting requirements are met including compliance with treasury policies and procedures and around safeguarding of funds as an NHS Foundation Trust and action taken where these are at risk.
- Reviewing relevant areas of the Corporate Risk Register and the Board Assurance Framework gaining assurance around controls, mitigation and action plans in place to address significant risks.

## **7. Sub Committees**

7.1 The Committee shall receive regular reports from the Finance Group which reports into the FPC and which should include updates from any sub groups set up beneath it including the Capital Review Group and should be informed of any issues for escalation. The Committee shall also receive updates as required from the Digital Steering Group and the Estates and Facilities Group and the Infrastructure in place to support the delivery of the New Build Hospital.

## **8. Administrative support**

8.1 The Committee shall be supported by the Director of Finance, Director of Estates and Deputy Chief Executive as the primary Executive Leads and by the Trust Secretary in overseeing management of administrative support, agenda setting, forward planning, minutes and actions.

## **9. Accountability and reporting arrangements**

9.1 The Committee shall be directly accountable to the Trust Board.

9.2 The Committee Chair shall provide a report to the Trust Board after each meeting outlining areas of key discussion and any actions taken or issues for escalation.

9.3 The minutes of the committee meetings shall be formally recorded and submitted to the next meeting of the Board following their approval.

## **10. Monitoring effectiveness and compliance with Terms of reference**

10.1 The Committee shall carry out an annual review of its effectiveness and provide a report to the Trust on its work discharging its responsibilities and complying with its terms of reference, specifically commenting on relevant aspects of the Board Assurance Framework and relevant regulatory frameworks.

## **11. Review of the Terms of Reference**

11.1 The Terms of Reference shall be reviewed annually and submitted to the

Trust Board for approval.

**Date approved by the Finance and Performance Committee:** 22 October 2020

**Date approved by the Trust Board:** 03 Nov 2020

**Next review date:** October 2021