

## Finance and Performance Committee

### Terms of Reference

#### 1. Authority

- 1.1. The Finance and Performance Committee (the Committee) is constituted as a standing committee of the Trust Board. The Committee is a Non-Executive Committee and 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.
- 1.2. 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 member of staff and all members of staff are directed to co-operate with any request made by the Committee.
- 1.3. The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experiences and expertise if it considers this necessary.

#### 2. Purpose of the Committee

- 2.1. The Committee is responsible for providing information and making recommendations to the Trust Board on financial and operational performance issues and for providing assurance that these are being managed safely.

#### 3. Membership

- 3.1. The membership of the committee shall be composed of the following core members:
  - 6 Non-Executive Directors (one of whom will be the Chair of the Committee)
  - Chief Executive
  - Chief Financial Officer

- Medical Director
  - Chief Nurse
  - Director of Clinical Services
- 3.2. All Board members outside the core membership have an open invitation to attend any meeting if he/she wishes to do so.

#### **4. Attendance and Quorum**

- 4.1. The quorum for any meeting of the Committee shall be attendance of a minimum of five members of which two will be Non-executive Directors.
- 4.2. It is expected that all members will attend at least 4 out of 6 committee meetings per financial year. An attendance record will be held for each meeting and an annual register of attendance will be included in the annual report of the committee to the Board.
- 4.3. If Executive or Non-executive Directors are unable to attend a meeting they should nominate a deputy subject to agreement with the Chief Executive and consultation with the Committee Chairman. Deputies will be counted for the purpose of the quorum.
- 4.4. The Chair may request attendance by relevant staff at any meeting.

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

- 5.1. Meetings of the Finance and Performance Committee shall be held six times per year, scheduled to support the business cycle of the Trust and at such other times as the Chairman of the Committee shall identify, subject to agreement with the Chairman of the Trust and the Chief Executive.
- 5.2. The Chairman may at any time convene additional meetings of the Committee to consider business that requires urgent attention.
- 5.3. Meetings of the Committee shall be set at the start of the calendar year.

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

- 6.1 The specific responsibilities of the Committee are to:
- Review the integrated performance of the Trust
  - Provide overview and scrutiny in any other areas of financial and operational performance referred to the Performance and Finance Committee by the Trust Board.

- Monitor the effectiveness of the Trust's financial and operational performance reporting systems ensuring that the Board is assured of continued compliance through its annual reporting, reporting by exception where required.
- Review the Trust's performance against its annual financial plan and budgets
- Review the Trust's operational performance against its annual plan and to monitor any necessary corrective planning and action.
- Monitor the performance of the Trust's physical estate and non-clinical services
- Provide overview and scrutiny to the development of the medium and long term financial models (MTFM and LTFM)
- Ensure the MTFM and LTFM is designed, developed, delivered, managed and monitored appropriately
- Ensure that appropriate clinical advice and involvement in the MTFM and LTFM is provided
- Review the in-year delivery of annual efficiency savings programmes
- Review the performance indicators relevant to the remit of the Committee
- Identify annual objectives of the Committee, produce an annual work plan in the agreed Trust format, measure performance at the end of the year and produce an annual report
- Consider any relevant risks within the Board Assurance Framework and corporate level risk register as they relate to the remit of the Committee, as part of the reporting requirements, and to report any areas of significant concern to the Audit Committee or the Board as appropriate
- Undertake any other responsibilities as delegated by the Trust Board.

### **7. Sub-Committees**

- 7.1 The Finance and Performance Committee has no established sub-committees but it will receive information and assurances from the Trust's internal performance review processes and meetings.

### **8. Administrative Support**

8.1 The Finance and Performance Committee will be supported by the Chief Financial Officer, as the nominated lead Executive Director. The Committee will be supported administratively by the Head of Corporate Governance, whose duties in this respect will include:

- Agreement of the agenda with the Chief Financial Officer and the Committee Chairman, collation and distribution of papers at least five working days before each meeting.
- Taking the minutes and keeping a record of matters arising and issues to be carried forward.
- Providing support to the Chair and members as required.

## **9. Accountability and Reporting arrangements**

- 9.1. The Committee shall be directly accountable to the Trust Board.
- 9.2. The Committee shall refer to the Board any issues of concern it has with regard to any lack of assurance in respect of any financial or operational aspect. The Chair of the Committee shall prepare a summary report to the Board detailing items discussed, actions agreed and issues to be referred to the Board. The Chair of the Committee is also required to inform the Board on any exceptions to the annual work plan or strategy. The Chair will report any specific issues on the risk register to the Audit Committee.
- 9.3. The minutes of the Committee meetings shall be formally recorded and submitted to the next meeting of the Board following the production of the minutes.

## **10. Monitoring Effectiveness and Compliance with Terms of Reference**

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

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

- 11.1 The Terms of Reference of the committee shall be reviewed at least annually by the Committee and approved by the Trust Board.

**Date approved: July 2017**

**Approved by: Trust Board**

**Next review date: July 2018**

**Appendix 1**

**Finance and Performance Committee Membership 2017/18**

Non-Executive Director (Chair)	Mr Peter Ward
Non-Executive Director (Vice Chair)	Mrs Anne Tutt
Non-Executive Director	Dame Fiona Caldicott
Non-Executive Director	Mr Geoff Salt
Non-Executive Director	Mr Christopher Goard
Non-Executive Director	TBC
Chief Executive	Dr Bruno Holthof
Chief Financial Officer	Mr Jason Dorsett
Medical Director	Dr Tony Berendt
Director of Clinical Services	Mr Paul Brennan
Chief Information and Digital Officer	Mr Peter Knight

**Finance and Performance Committee Objectives 2017/18**

The Committee's overarching objective is to gain a sufficient understanding of the financial and operational performance control processes of the Trust to provide assurance to the Board. In particular it will:

- Review the development and use of financial performance information at a more granular level across the Trust,
  - To include the presentation of EBITA data by service;
- Review the development of the process for the reporting and review of operational performance across the Trust;
  - To ensure that effective performance management processes are used at divisional level;
  - To review the development of holistic business information, through the triangulation of different source of performance information, its use in decision making and its impact on the achievement of objectives.
  - To monitor assurance information in relation to the completion of performance recovering plans following NHSI enforcement notice.