

## FINANCE, BUSINESS & INVESTMENT COMMITTEE MEETING

26 July 2017

Paper Title:	FBIC Terms of Reference
Lead Director:	Liz Romaniak, Director of Finance, Contracting and Facilities/Deputy Chief Executive
Paper Author:	Paul Hogg, Trust Secretary
Agenda Item:	11
Presented For:	Approval
Paper Category:	Governance & Compliance

### Executive Summary:

#### REPORT, PURPOSE AND SUMMARY:

The Committee's review of its terms of reference in 2016 agreed a process to have alternate meetings that focused on assurance processes associated with sign-off the NHS Improvement quarterly returns and the financial dashboard; and business strategy discussions exploring significant issues such as deep dives and future tendering opportunities. This has worked well and it is proposed that this approach is retained for 2017/18.

The Committee terms of reference have been amended slightly (minor changes highlighted at Appendix 1 in red).

### Recommendations:

That the Finance, Business and Investment Committee:

- **consider** and **agree** the revisions to the Committee's terms of reference and submit them to Trust Board for ratification at its meeting in September 2017.

**Governance/Audit Trail:**

<b>Meetings where this item has previously been discussed (please mark with an X):</b>						
<b>Audit Committee</b>		<b>Quality &amp; Safety Committee</b>		<b>Remuneration Committee</b>	<b>Finance, Business &amp; Investment Committee</b>	√
<b>Executive Management Team</b>		<b>Directors</b>		<b>Chair of Committee Meetings</b>	<b>Mental Health Legislation Committee</b>	
<b>Council of Governors</b>						

<b>This report supports the achievement of the following strategic aims of the Trust: (please mark those that apply with an X):</b>	
Consolidation of Market Share : being great in our patch	√
Manage the impacts of the whole system of reduced health and social care funding: working in partnership to develop cost effective out of hospital services and pathways to support the delivery of sustainable services	√
Secure Funding for new or expanded services	√

<b>This report supports the achievement of the following Regulatory Requirements: (please mark those that apply with an X):</b>	
<b>Safe:</b> People who use our services are protected from abuse and avoidable harm	
<b>Caring:</b> Staff involve people who use our services and treat them with compassion, kindness, dignity and respect	
<b>Responsive:</b> Services are organised to meet the needs of people who use our services	
<b>Effective:</b> Care, treatment and support achieves good outcomes, helps to maintain quality of life people who use our services and is based on the best available evidence.	
<b>Well Led:</b> The leadership, management and governance of the organisation make sure it's providing high-quality care that is based around individual needs, encourages learning and innovation, and promotes an open and fair culture.	√
<b>NHSI Single Oversight Framework</b>	√

<b>Equality Impact Assessment :</b>
Not applicable.

## Finance, Business and Investment Committee

### Terms of Reference

<b>Document details:</b>	Terms of Reference for the Finance, Business and Investment Committee
<b>Version:</b>	2
<b>Approved by:</b>	Finance, Business and Investment Committee
<b>Date approved:</b>	26 July 2017
<b>Ratified by:</b>	Trust Board
<b>Date ratified:</b>	28 September 2017
<b>Title of originator / author:</b>	Trust Secretary
<b>Title of responsible Director:</b>	Director of Finance, Contracting and Estates
<b>Date issued:</b>	2 October 2017
<b>Review date:</b>	September 2018
<b>Frequency of review:</b>	Annual
<b>Where is previous copy archived: (if applicable)</b>	Committee folder
<b>Amendment Summary</b>	Section C: Reference now included around review of corporate benchmarking Removal of reference to risks allocated to Committees

## **Terms of Reference for the Finance, Business and Investment Committee**

### **A. Overall aim or purpose:**

The Trust Board hereby resolves to establish a Committee of the Board to be known as the Finance, Business and Investment Committee. The overall aim of the Committee is to undertake objective scrutiny of the Trust's financial performance, longer term financial strategy and commercial investment decisions.

### **B. Key objectives:**

The Finance, Business and Investment Committee's key objectives are to:

- Monitor financial performance of the Trust against plan, reporting any proposed remedial action to the Board as necessary;
- Consider the Trust's medium to longer term financial strategy; and
- Provide an oversight of the development and implementation of financial systems across the Trust.

### **C. Specific areas of responsibility:**

The Finance, Business and Investment Committee is authorised by the 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.

In particular the Committee shall:

- Scrutinise the Trust's in-year financial performance, delivery of Cost Improvement Plans and other key financial targets
- Review the annual budget, prior to submission to the Board of Directors and formally approve other external plan and quarterly submissions to NHS Improvement
- Review and recommend to the Board any decisions relating to control totals set by NHS Improvement
- Oversee the development and implementation of business systems across the Trust that have a significant impact on income and expenditure (including CPPP, SLR and Personalisation projects)
- Review the development of the Trust's five year financial plan, ensuring it is aligned with clinical, estates, workforce, IT and other business strategies
- Review the business strategies that drive the financial planning of the organisation (e.g. Estates, IM&T, Workforce, Change Programme and OD)
- Maintain an oversight of, and receive assurances on the robustness of the Trust's key income sources and contractual safeguards
- Review key cost drivers such as procurement practice and human resources assets
- **Review internal and external corporate benchmarking reports**
- Consider proposals for investment in commercial business cases and their respective funding sources, use of financial surplus, and where appropriate make recommendations to the Trust Board
- Review the process for determining capital expenditure projects and their monitoring, including post-implementation reviews

- Approve the quarterly returns of the Trust to the Independent Regulator, NHS Improvement

#### **D. Chair:**

The Finance, Business and Investment Committee shall be chaired by a Non Executive Director appointed by the Trust Board. A second Non Executive Director shall be identified to act as Deputy Chair. The Chair of the Audit Committee shall not be a member of the Committee but is authorised to attend any meeting of the Committee if (s)he wishes.

#### **E. Members:**

The membership of the Committee will consist of:

- three Non Executive Directors, one of whom will act as Chair and one as Deputy Chair;
- Chief Executive;
- Director of Finance, Contracting and Facilities; and
- Director of Human Resources and OD.

The Deputy Director of Finance will be in attendance at all meetings.

#### **F. Accountable to:**

The Finance, Business and Investment Committee is accountable to the Board. The minutes of the Finance, Business and Investment Committee shall be formally recorded and submitted to the Trust Board.

#### **G. Accountable for:**

There are no formal lines of accountability between the Finance, Business and Investment Committee and other Trust Committees. The Finance, Business and Investment Committee interacts with other Trust Committees through cross attendance.

#### **H. Roles**

The role of the Chair is undertaken via a nominated Non-Executive Director. Minutes and administration of the meeting is undertaken through the Trust Secretary.

#### **I. Frequency of Meetings:**

Meetings will be held six weekly. There will be separate meetings if required by the Trust Board.

#### **J. Frequency of Attendance:**

All Committee members will be expected to attend a minimum of four meetings a year. Attendance will be monitored by the Trust Secretary.

#### **K. Quorum:**

The Committee will be considered quorate where three members of the Committee are present, two of whom must be Non-Executive Directors.

**L. Record Keeping:**

Archives of minutes and papers relating to the Finance, Business and Investment Committee are maintained by the Committee Support Officer.

**M. Lifespan of meeting:**

The Finance, Business and Investment Committee is a standing committee of the Trust Board. It will continue to meet in accordance with these Terms of Reference until the Trust Board determines otherwise.

Members of the Committee may not send deputies unless specifically approved by the Committee Chair.

The Committee may choose to invite external organisations and individuals to present issues and reports from time to time.

**O. Monitoring arrangements**

All elements of the Finance, Business and Investment Committee Terms of Reference will be monitored by the Trust Secretary, reviewed annually by the Committee and reported in its Annual Report to the Board.