

## TRUST BOARD

**27 September 2018**

Paper Title:	FBIC Terms of Reference
Lead Director:	Neil Cook, Interim Finance Director
Paper Author:	Neil Cook, Interim Finance Director and Stella Jackson, Deputy Trust Secretary
Agenda Item:	<b>15</b>
Presented For:	Approval
Paper Category:	Governance & Compliance

### **Executive Summary:**

#### **REPORT, PURPOSE AND SUMMARY:**

At its meeting on 25 July 2018, the Finance, Business and Investment Committee (FBIC) agreed to recommend to the Board the amendments to the FBIC terms of reference highlighted in Appendix 1.

### **Recommendations:**

That Trust Board:

- **Ratifies** the revisions to the Finance, Business and Investment Committee's terms of reference.

**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>	25 July 2018
<b>Ratified by:</b>	Trust Board
<b>Date ratified:</b>	27 September 2018
<b>Title of originator / author:</b>	Trust Secretary
<b>Title of responsible Director:</b>	Director of Finance, Contracting and Estates
<b>Date issued:</b>	27 September 2018
<b>Review date:</b>	July 2019
<b>Frequency of review:</b>	Annual
<b>Where is previous copy archived: (if applicable)</b>	Committee folder
<b>Amendment Summary</b>	<p>Section B has been amended to strengthen Objectives in respect of scrutinising risks, gaining assurance on the management and mitigation of those risks and advising the Board accordingly.</p> <p>Section C has been updated to include a focus on the underlying financial position given the risk to delivery of the recurrent CIP programme, and to reflect the Committees role in triangulating Financial Performance with the overall Performance of the organisation against key strategies and metrics.</p> <p>Section E clarifies that deputation is</p>

	<p>acceptable and implications for Quoracy</p> <p>Section F has been updated to reflect the agreement that the FBIC Chair provides an update to the Board at the next available meeting in advance of formal minutes being signed off and presented</p>
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## **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 and provide assurance to the Board on the delivery of key financial targets,
- Identify the key financial risks and drivers to achievement of financial targets, investigate significant variances and report any proposed remedial action to the Board as necessary;
- Consider the Trust's medium to longer term financial strategy and advise the Board as appropriate; 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 and underlying financial performance, delivery of Cost Improvement Plans and other key financial targets
- Review the annual budget, prior to recommendation to the Board of Directors for approval and formally review and 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
- 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 development and implementations of the business strategies that drive the financial planning and performance of the organisation (e.g. Change Programme, Workforce, Estates, IM&T, 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
- To consider and recommend to Board proposals for investment in

commercial business cases and their respective funding sources and use of financial surplus  
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 and other officers will be invited to attend as required

Deputation for both Executive and Non Executive members is acceptable in exceptional circumstances by agreement with the Committee Chair and Deputies will be considered a member for the purpose of meeting quoracy.

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

The Finance, Business and Investment Committee is accountable to the Board. The Chair of the Committee will provide an update of key issues arising from the meeting to the next Public Board meeting. The minutes of the Finance, Business and Investment Committee shall be formally recorded and submitted to the Trust Board once approved by Committee members.

#### **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

#### **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.

**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.