

Board of Directors

30 January 2020

Paper title:	Finance, Business and Investment Committee – Terms of Reference	Agenda item 8.2.a
Lead Director:	Rob Vincent, Non-executive Director (Chair of the Committee)	
Prepared by:	Fran Limbert, Corporate Governance Manager	

Purpose of the report		
For the Board to ratify following and approval by the Finance Business and Investment Committee on 21 January 2020..	For approval	X
	For discussion	
	For information	

Executive summary		
<p>The FBIC discussed and agreed an amendment to their Terms of Reference in December 2019 to reflect that the Costing Transformation programme (CTP) will now more appropriately formally report through the Senior Leadership Team.</p> <p>The proposed amendments to the Committee terms of reference are:</p> <ul style="list-style-type: none"> Remove reviews that stem from direct reporting from CTP from FBIC terms of reference, but note that implications from costing and related work will continue to inform the work of the Committee, and Amendment to job title of Deputy for Deputy Director of Finance <p>These proposed amendments are highlighted in red below.</p>		
Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	<p>State below 'Yes' or 'No'</p> <p>No</p>	If yes please set out what action has been taken to address this in your paper

Recommendation
<p>The Board of Directors is asked to:</p> <ul style="list-style-type: none"> consider and ratify the revisions to the Committee's terms of reference, noting that they have been approved by the Committee at it's last meeting.

Strategic vision				
Please mark those that apply with an X				
Providing excellent quality services and seamless access	Creating the best place to work	Supporting people to live to their fullest potential	Financial sustainability growth and innovation	Governance and well-led
X	X		X	X

Care Quality Commission domains				
Please mark those that apply with an X				
Safe	Effective	Responsive	Caring	Well Led
		X		X

Relationship to the Board Assurance Framework (BAF)	<p>The work contained with this report links to the following strategic risk(s) as identified in the BAF:</p> <ul style="list-style-type: none"> • 1.2 • 2.2 • 3.1 • 3.2 • 3.3 • 5.1 • 5.2
Links to the Corporate Risk Register (CRR)	<p>The work contained with this report links to the following corporate risk(s) as identified in the CRR:</p> <ul style="list-style-type: none"> • 2042 • 2046 • 2207 • 1831 • 1826 • 1827 • 1821
Compliance and regulatory implications	<p>The following compliance and regulatory implications have been identified as a result of the work outlined in this report:</p> <ul style="list-style-type: none"> • None

Finance Business and Investment Committee

Terms of Reference

1 Name of group / committee

Finance Business and Investment Committee (Committee).

2 Composition of the Committee

Members: full rights

Title	Role in the group / committee
Non-executive Director	Committee Chair
Non-executive Director	Additional non-executive member
Non-executive Director	Additional non-executive member
Chief Executive	Accountable Officer for the Trust.
Director of Finance, Contracting and Facilities	Executive lead for financial resources within the Trust. Assurance and escalation provider to the Finance and Business and Investment Committee.
Chief Operating Officer	Executive lead with day-to-day responsibility for operational delivery of services. Assurance and escalation provider to the Finance and Business and Investment Committee.
Director of Human Resources and Organisational Development	Executive lead for workforce development. Assurance and escalation provider to the Finance and Business and Investment Committee. Attendance at meetings will be dependent on the agenda items being discussed.

The Deputy Director of Finance will attend all meetings. In addition to anyone listed above, the Chair of the Committee may also request individuals to attend on an ad-hoc basis to provide advice and support for specific items from its work plan when these are discussed in the meetings.

2.1 Governor Observers

The role of a governor at Board sub-committee meetings is to observe the work of the Committee, rather than to be part of its work as they are not part of the formal membership of the Committee. The governor observes Board sub-committee meetings in order to get a better understanding of the work of the Trust and to observe non-executive directors appropriately challenging the executive directors for the operational performance of the Trust.

At the meeting the governor observer(s) will be required to declare any interest they may have in respect of any of the items to be discussed.

3 Quoracy

Number: The minimum number of members for a meeting to be quorate is three, two of whom must be non-executive directors. Attendees do not count towards quoracy.

If the Chair is unable to attend the meeting, and if otherwise quorate, the meeting will be chaired by one of the other non-executive directors’.

Deputies: Where appropriate members may nominate deputies to represent them at a meeting. Deputies do not count towards the calculation of whether the meeting is quorate except if the deputy is representing the member under formal “acting up” arrangements. A schedule of deputies, attached at appendix 1a, should be reviewed at least annually to ensure adequate cover exists.

Non-quorate meeting: Non-quorate meetings may go ahead unless the Chair decides not to proceed. Any decisions made by the non-quorate meeting must be reviewed at the next quorate meeting.

4 Meetings of the committee

Frequency: Six weekly to deliver eight Committee meetings per year.

Urgent meeting: Any member of the Committee may request an urgent meeting.

Minutes: The Committee Secretariat will be provided by the Executive Support Team.

Assurance and Escalation Reporting: The Chair of the Committee will provide an update of key issues arising from the meeting to the next Board of Directors meeting.

5 Authority

Establishment: The Committee is a sub-committee of the Board of Directors and has been formally established by the Board.

Powers: Its powers, in addition to the powers vested in the executive members in their own right, are detailed in the Trust’s Scheme of Delegation.

Cessation: The Committee is a standing Board sub-committee in that its responsibilities and purpose are not time limited. However, the Committee has a responsibility to review its effectiveness annually.

6 Role of the committee

6.1 Purpose of the committee

The purpose of the Finance Business and Investment Committee is to support the Board’s strategic direction and stewardship of the Trust’s finances, investments and sustainability. In particular, the Committee is to provide the Board with assurance concerning all aspects of finance and operational performance relating to the provision of care and services in support of getting the best clinical outcomes and experience

for service users and carers. It will seek assurance that there is adequate organisational oversight of the financial, workforce, estates (including health and safety, and environmental), and informatics risks to the Trust's ability to achieve its strategic objectives.

6.2 Guiding principles for members (and attendees) when carrying out the duties of the Committee

In carrying out their duties members of the Committee and any attendees must ensure that they act in accordance with the values of the Trust, which are:

- we care
- we listen
- we deliver.

6.3 Duties of the Committee

The 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.

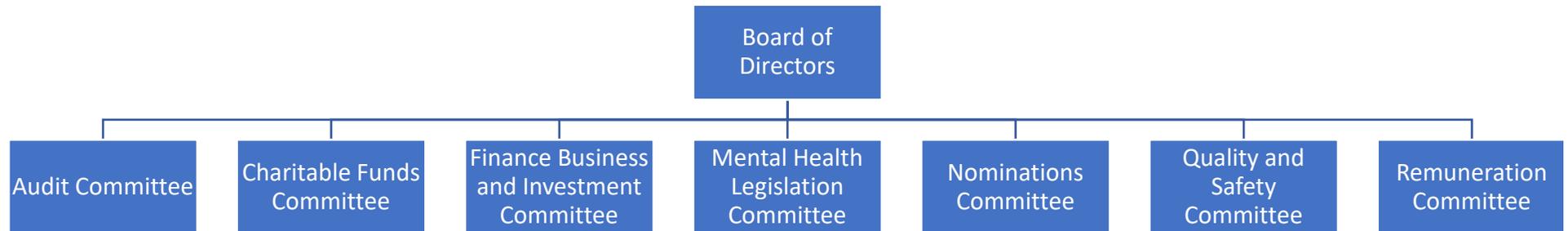
The Committee will:

1) Finance

- scrutinise the Trust's in-year and underlying financial performance, delivery of Cost Improvement Plans and other key financial targets **and receive assurance that financial reviews have, as applicable, taken into account consideration of relevant internal and external benchmarks (ADD)**;
- 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;
- 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; REMOVE**

- 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; and
 - approve the quarterly returns of the Trust to the Independent Regulator, NHS Improvement.
- 2) Workforce issues affecting the trust's medium-term financial strategy
- receive assurance on progress made against the Workforce Strategy, including activities to help retain existing staff and grow our future workforce;
 - consider the control and mitigation of workforce related risks and provide assurance to the Board that such risks are effectively controlled and managed;
 - receive reports on the delivery of other Trust strategies and initiatives that interlink with the workforce and organisational development workstream, such as medical staffing; and the implementation of systems (i.e. E-Roster);
 - receive assurance on statutory workforce standards such as diversity, equality, and agenda for change; and
 - receive assurance on progress made on talent management and workforce transformation to support delivery of the 'Best Place to Work' campaign.
- 3) Procurement issues affecting the trust's medium-term financial strategy
- receiving assurance that the Trust's plan is driving reductions in non-pay expenditure; and
 - review operational reports to monitor compliance with effective procurement procedures and policies.
- 4) Estate issues (including environmental and health and safety) affecting the trust's medium-term financial strategy
- receiving assurance on delivery of the strategic vision for estates;
 - receiving assurance on statutory health and safety requirements; and
 - reports on the Trust's proactive approach to health and safety management, and environmental issues.
- 5) Informatic issues affecting the trust's medium-term financial strategy
- progress updates for the digital strategy;
 - receive assurance on the Trust's preparedness to support appropriate cyber security; and
 - assurance against statutory requirements including: compliance with the General Data Protection Action 2018; and compliance with requirements set by the Information Commissioners Office.

7 Relationships with other groups and committees



The Committee does not have any sub-committees. It is linked to the Trust’s operational groups as an assurance receiver and provides a route of escalation to the Board of Directors.

8 Duties of the Chair

The Chair of the Committee shall be responsible for:

- agreeing the agenda in partnership with the Director of Finance, Contracting and Facilities;
- directing the meeting ensuring it operates in accordance with the Trust’s values whilst ensuring all attendees have an opportunity to contribute to the discussion;
- giving direction to the secretariat and checking the draft minutes;
- ensuring the agenda is balanced and discussion is productive; and
- ensuring sufficient information is presented to the Board of Directors in respect of the work of the Committee.

It will be the responsibility of the Chair of the Committee to ensure that it carries out an assessment of effectiveness annually, and ensure the outcome is reported to the Board of Directors along with any remedial action to address weaknesses. The Chair will also be responsible for ensuring that the actions to address any areas of weakness are completed.

9 Reviews of the terms of reference and effectiveness

The terms of reference shall be reviewed by the Committee at least annually and be presented to the Board of Directors for ratification.

In addition to this the Chair must ensure the Committee carries out an annual assessment of how effectively it is carrying out its duties and make a report to the Board of Directors including any recommendations for improvement.

Schedule of deputies

It may not be necessary or appropriate for all members (or attendees) to have a deputy attend in their absence. If this is the case please state below “no deputy required”.

Full member (by job title)	Deputy (by job title)
Non-executive Director Chair	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Chief Executive	Nominated Executive Director
Director of Finance Contracting and Facilities	Deputy Director of Finance
Chief Operating Officer	General Manager
Director of Human Resources and Organisational Development	Deputy Director of Human Resources

Attendee (by job title)	Deputy (by job title)
Deputy Director of Finance	Head of Financial Management