

## Finance and Performance Committee

### Terms of Reference

<b>Version:</b>	3.0
<b>Approved by:</b>	Finance and Performance Committee
<b>Ratified by:</b>	Board of Directors
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<b>Job title of author:</b>	Corporate Governance Manager / Deputy Trust Board Secretary
<b>Job title of responsible Director:</b>	Non-executive Director and Chair of the Finance and Performance Committee
<b>Date issued:</b>	May 2024
<b>Review date:</b>	May 2025
<b>Frequency of review:</b>	Annual
<b>Amendment Summary:</b>	<ul style="list-style-type: none"> <li>- Removal of third Non-Executive Director as previously agreed by the Board of Directors.</li> <li>- Included the provision supporting Joint Committee meetings taking place.</li> <li>- Updated Assurance &amp; escalation reporting arrangement to recognise this now also included 'decisions' being made.</li> <li>- Frequency of meetings changed to every two months.</li> <li>- Name change of 'Director of Finance, Contracting and Estates' to 'Chief Finance Officer'.</li> <li>- Name change of 'Deputy Director of Finance' to 'Operational Director of Finance'.</li> <li>- Inclusion of Director of Nursing within the members list.</li> <li>- Included reference to new strategic framework for the Trust</li> <li>- Updated table of deputies.</li> </ul>

**1 Name of group / committee**

Finance and Performance 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
Chief Executive	Accountable Officer for the Trust
Chief Finance Officer	Executive lead for financial resources within the Trust. Assurance and escalation provider to the Finance and Performance Committee.
Chief Operating Officer	Executive lead with day-to-day responsibility for operational delivery of services. Assurance and escalation provider to the Finance and Performance Committee.
Chief People Officer	Executive lead for workforce development. Assurance and escalation provider to the Finance and Performance Committee. Attendance at meetings will be dependent on the agenda items being discussed.
Chief Information Officer	Executive lead for digital services.
Director of Nursing, Professions and Care Standards	Executive lead for nursing, professions, risk management, compliance, care standards. Assurance and escalation provider to the Finance and Performance Committee.
Medical Director	Executive lead with responsibility for clinical services, KPO, Pharmacy, Research and Development. Assurance and escalation provider to Finance and Performance Committee.

The Operational Director of Finance, and Trust Secretary 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 Committee welcomes and encourages governors to attend its meetings. The role of a governor at Board sub-committee meetings is to observe the work 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 approved virtually by full rights members and formally reviewed at the next quorate meeting.

#### 4 **Meetings of the committee**

**Frequency:** Normally bi-monthly to deliver six Committee meetings per year, with the option of having additional meetings if required.

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

**Joint Committee Meetings:** Joint Committee meetings can take place between Board sub-committees. It will be for the Executive Directors in partnership with Non-Executive Director Chairs to agree when a meeting will be convened. Joint Committee meetings will be facilitated by the Corporate Governance team and will either be formal meetings, or development sessions. When Joint meetings are convened the relevant Terms of Reference will be adhered to.

**Minutes:** The Committee Secretariat will be provided by the Corporate Governance Team.

**Alert, Advice, Assure and Decision (AAA+D) Escalation Reporting:** The Chair of the Committee will provide an update of key issues arising from the meeting to the next Public 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 and Performance 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 aspects of finance and 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

The Committee review the financial and non-financial targets of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively. The Committee will oversee the ongoing development of a performance management culture in the Trust where performance management is seen as part of the day job striving for excellence and focussing on improvement in all aspects.

## **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.

As agreed by the Board July 2023 within the Better Lives Together strategic framework, the Committee operates aligned to the four strategic priorities:

- Being the Best Place to Work
- Delivering the Best Quality Services
- Making the Best Use of Resources
- Being the Best Partner

## **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;
- receive assurance on delivery of the Trust's workforce; estates (including health and safety, and environmental); and informatics strategies;
- provide an oversight of the development and implementation of financial systems across the Trust; and
- provide an oversight of financial performance and key risks across the Bradford Place and wider ICS.

The Committee will:

1) Finance

- scrutinise the Trust's in-year financial performance, delivery of Cost Improvement Plans and other key financial targets;
- review the annual budget, regulator targets, and regulator information requests prior to recommendation to the Board of Directors;
- review the development of the Trust's five-year financial plan, ensuring it is aligned with clinical, estates, workforce, informatics and other business strategies;
- review the financial risks and mitigations of the ICP/ ICS;
- 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 internal and external corporate benchmarking reports;
- consider and recommend to Board proposals for investment in commercial business cases; and
- review the process for determining capital expenditure projects and their monitoring, including post-implementation reviews.

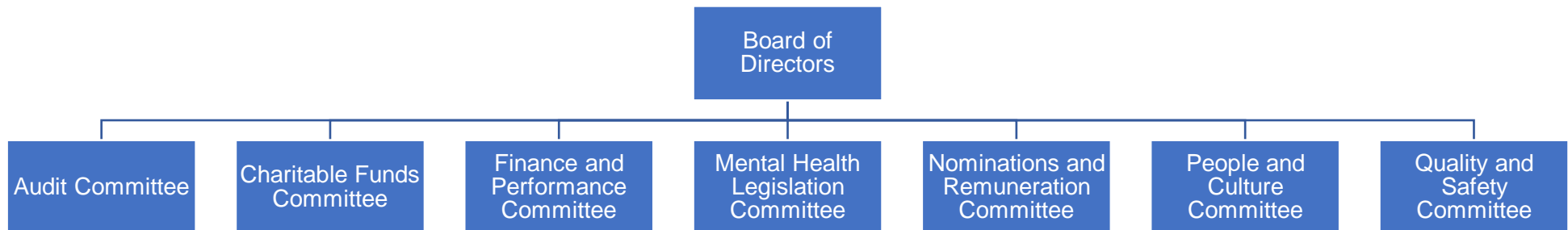
2) Workforce issues affecting the Trust's financial strategy

- receive assurance on progress made against the Workforce Strategy;
- 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; and
- receive assurance on statutory workforce standards such as agenda for change.

3) Procurement issues affecting the Trust's financial strategy

- receiving assurance that the Trust's plan is increasing efficiencies; 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 financial strategy
- receiving assurance on delivery of the Trust's estate's strategy;
  - receiving assurance on the Bradford place estate's strategy;
  - 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 financial strategy
- receive progress updates on delivery of the Trust's digital strategy;
  - receive assurance on the Trust's preparedness to support appropriate cyber security; and
  - assurance against statutory data requirements and compliance with requirements set by the Information Commissioners Office.
- 6) System-wide partnership working
- As required, receive assurance on the governance arrangements that support system-wide partnership working.
- 7) Receiving assurance on the Trust's performance against:
- annual budgets, capital plans, and Cost Improvements;
  - quality, innovation, productivity and transformation; and
  - clinical activity and key performance indicators. Seek assurance that the underpinning systems and processes for data collection and management are robust and provide relevant, timely and accurate information to support the operational management of the organisation.

## 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 Chief Finance Officer;
- 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.

## **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.

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.

**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”.

<b>Full member (by job title)</b>	<b>Deputy (by job title)</b>
Non-executive Director Chair	Another Non-executive Director
Non-executive Director	Another Non-executive Director
Chief Executive	Deputy Chief Executive
Chief Finance Officer	Operational Director of Finance
Chief Operating Officer	Deputy Director of Operations
Chief People Officer	Deputy Chief People Officer
Chief Information Officer	Head of Digital Services
Director of Nursing, Professions and Care Standards	Deputy Director of Nursing, Professions and Care Standards
Medical Director	Deputy Medical Director/Chief Pharmacist

<b>Attendee (by job title)</b>	<b>Deputy (by job title)</b>
Operational Director of Finance	Head of Finance
Trust Secretary	Deputy Trust Secretary