

FINANCE, INVESTMENT & PERFORMANCE COMMITTEE
Terms of Reference

Approved by Trust Board 24 September 2019

All Trust Board Committees are responsible for the scrutiny, monitoring and provision of assurance to Trust Board on key issues set out in their terms of reference and/or allocated to them by the Board. Agendas are set to enable Trust Board to receive assurance that scrutiny and monitoring processes are in place to allow the Trust's strategic objectives to be met and to address and mitigate risk.

The Finance, Investment & Performance Committee is being established in 2019. The Terms of Reference of the Committee will be reviewed annually and, if appropriate, amended to reflect any changes to the Committee's remit and role, any changes to other committees and revised membership. The Finance, Investment & Performance Committee is a committee of the Board and has no executive powers other than those specifically delegated in these terms of reference and, as appropriate, by Trust Board. Committees are expected to conduct their business in accordance with the 7 principles of public life (Nolan principles): selflessness, integrity, objectivity; accountability; openness; honesty; and leadership.

Purpose

The Finance, Investment & Performance Committee's prime purpose is to provide oversight and challenge of the Trust's financial performance and financial plans to ensure the Trust and the services it provides remain financially sustainable. It will also review capital plans with particular focus on the scrutiny of major investments, including post evaluation reviews. The committee will also review the overall performance metrics of the Trust to identify key trends and issues. This may result in direction being given to other committees of the Board to carry out more detailed review and determine where corrective action needs to be taken. On behalf of the Trust Board, it will have an oversight of related risks, providing additional scrutiny of any such risks which are outside the Trust's Risk Appetite, giving assurance to the Board around the management of such risks.

Membership

The Committee is always chaired by a Non-Executive Director of the Trust and the membership consists of a minimum of two other Non-Executive Directors and three executive Directors.

Membership as at 24 September 2019

Chair – Non-Executive Director – Chris Jones;

Non-Executive Director – Sam Young;

Non-Executive Director – Kate Quail.

Lead Director – Director of Finance & Resources – Mark Brooks;

Chief Executive – Rob Webster;

Director of Nursing & Quality / Deputy Chief Executive – Tim Breedon

Attendee as at 24 September 2019

Director of Operations – Carol Harris

Attendance

The Director of Finance and Resources is in attendance (as lead Director) at meetings. The Chair of the Trust, other Directors, and relevant officers attend the Finance, Investment and Performance Committee by invitation. Administrative support is provided by the Personal Assistant to the Lead Director.

Quorum

The quorum will be two Non-Executive Director members and the lead Director (or nominated Director) plus one other Director. Members are expected to attend all meetings. In the unusual event that the Chair is absent from the meeting, the Committee will agree another Non-Executive Director to take the chair. In the absence of executive Director members, deputies are permitted to attend, however they will not form part of the quorum.

Frequency of meetings

For the first twelve months of its existence the Committee will meet on a monthly basis given the focus on the ongoing development and implementation of the financial sustainability plan.

It is the responsibility of the Chair to work with the Lead Director to ensure items are identified for the Committee's agenda in line with the Committee's terms of reference, its work programme agreed at the beginning of each year and the current risks facing the organisation.

Authority

The Committee is authorised by Trust 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 by Trust Board to co-operate with any request made by the Committee.

Sub-committees

To fulfil its duties and to ensure the Trust complies with its statutory responsibilities and duties, the Committee will receive reports from identified sub-committees.

Duties

Finance

The Committee will focus on the following in respect of the financial affairs of the Trust:

- Oversee and evaluate financial strategy;
- Seek assurance on delivery of financial and operational targets (through the integrated performance report);
- Consider forecasts for financial and operational information;
- Assess risks and seek assurance on mitigating action;
- Review proposed annual financial plan;
- Review proposed three and five year financial plans;
- Seek assurance on delivery of the cost improvement programmes (CIPs);
- Oversee delivery of the financial sustainability plan;
- Review Trust's service line financial reporting; and
- Consider the Trust's performance using benchmarking information including that included in the model hospital.

Investment

The Committee will focus on the following in respect of Trust investments:

- Approve business cases as required by Trust Standard Financial Instructions (SFIs) and oversee the post implementation review process for these; and
- Review the annual, three year and five year capital plans for the Trust.

Performance

The Committee will focus on the following in respect of Trust performance:

- Review the integrated performance report and identify key trends and issues across the Trust;
- Provide information to other Trust committees on these key trends and issues which may require corrective action to be taken; and
- Receive and review NHS benchmarking reports.

In carrying out its work, the Committee will primarily utilise internal expertise. Where required it will seek reports and assurances from Directors and managers concentrating on the delivery of financial plans, investment criteria and over-arching Trust performance.

Relationship with the Members' Council

At the discretion of the Chair of the Committee and/or the Chair of the Trust, governors may be invited to attend meetings of the Committee to support the Members' Council in meeting its duty to hold Non-Executive Directors to account for the performance of the Board.

Monitoring

The Committee will monitor its performance both in terms of providing assurance to Trust Board and in terms of ensuring it meets the remit as set out in its terms of reference through agreement of an annual work plan, inclusion in the work plan of any items delegated to the Committee by Trust Board and through the Assurance Framework, monitoring implementation of the annual work plan, assessment of the Committee's performance through an annual self-assessment, and an evaluation of the Committee's performance through an annual report to Trust Board.

The Committee will assess, measure and evaluate its impact, both quantitatively and qualitatively, and include the outcome of this in its annual report to Trust Board.

Reporting to Trust Board

Trust Board will receive the minutes of Committee at the Trust Board meeting following the Committee meeting. The Committee will also report to the Board annually on its work and include commentary on its support of the Annual Governance Statement, the effectiveness of assurance systems, the work of internal and external audit and the annual accounting process.

All Trust Board Committees have a responsibility to ensure they foster and maintain relationships and links between Committees and Trust Board. Each Committee also has a responsibility to ensure action identified and agreed is placed within the organisation either through the Executive Management Team or other internal groups, such as Trust-wide Action Groups.

Approved by Trust Board: 24 September 2019

Next review due: April 2020