

TERMS OF REFERENCE

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FINANCE AND PERFORMANCE COMMITTEE ('FPC')

TERMS OF REFERENCE

1. Constitution and Authority

- 1.1. The Committee is constituted as a Standing Committee of the Board of Directors (the "Board") of Torbay and South Devon NHS Foundation Trust (the "Trust"). Its constitution and terms of reference are subject to amendment by the Board, to which it remains accountable.
- 1.2. These terms of reference may only be changed with the approval of the Board.
- 1.3. The Committee shall embody the principles of the NHS Constitution and the Trust's values, at all times.
- 1.4. The Committee shall have the ability to delegate and establish Sub-Committees or other groups as and when required, with ultimate discretion to disband such groups, in accordance with this provision.
- 1.5. These Terms of Reference shall be published on the Trust's website.

2. Purpose

- 2.1. The purpose of the Committee is to:

- 2.1.1. Oversee, co-ordinate review and assess the financial and performance management arrangements; including monitoring the delivery of the NHS Long Term Plan and supporting Annual Plan decisions on investment and business cases.
- 2.1.2. Provide the Board with an independent and objective review of, and assurances, in relation to significant financial and performance risks which may impact on the financial viability and sustainability of the Trust.
- 2.1.3. Provide detailed scrutiny of financial and performance matters in order to provide assurance and raise concerns (if appropriate) to the Board of Directors.
- 2.1.4. Assess and identify risks within the finance and performance portfolio and escalating this as appropriate.
- 2.1.5. Make recommendations, as appropriate, on financial and performance matters to the Board of Directors.
- 2.1.6. Determine those matters delegated to the Committee in accordance with the Scheme of Delegation and Standing Financial Instructions as set out in the Trust's Standing Orders.
- 2.1.7. Oversee the development of the Trust's medium term financial strategy
- 2.1.8. Maintain a watching brief over the strategic direction of the Devon ICS as informed by relevant national policy, and informing the Board of such

2.2. The objectives of the committee are:

2.2.1. To advise the Board of Directors on all aspects of key performance, financial and investment issues to enable sound decision-making.

2.2.2. To provide assurance in respect of financial and performance related matters along with business planning

2.2.3. To provide assurance that corrective action has been initiated and managed where gaps are identified in relation to financial, performance and digital risks.

2.3. The Committee will promote local level responsibility and accountability.

2.4. This is a Tier 1 Committee, in accordance with the Trust's governance framework.

3. Duties

3.1. In pursuance of its purpose, the duties delegated to the Committee are:

3.2. Finance and Financial Performance

3.2.1. Promote financial sustainability, innovation and transformation to ensure that the Trust's purpose and strategy are being pursued in the most cost-effective manner, achieving value for money (including Procurement) whilst maintaining an appropriate level of service in accordance with the Trust's annual plan and risk appetite.

3.2.2. Undertake detailed scrutiny of financial and performance information, including performance against the cost improvement programme and the capital investment programme and cashflow, through detailed review of the Board Integrated Performance Report.

3.2.3. Review delivery against the Trust's control total including forward projections and the delivery of any recovery plan.

3.2.4. Provide oversight of delivery of major capital projects as required in accordance with the Trust's delegations.

3.2.5. Receive all Plans required by the various external benchmarking initiatives eg GIRFT, Model Hospital, including an annual report on their implementation (or more frequently if required).

3.2.6. Review the development of the Trust's operational plan, with clear assumptions on allocations, activity and investment.

3.2.7. Seek assurance that appropriate capacity and capability is available to support decision making and the effective delivery of the Trust's Financial Plan.

3.2.8. Seek assurance that financial performance against the identified performance measures is adequately reflected in the risk register and related action plans.

3.2.9. Review the activities undertaken at the reporting groups, including in relation to cash management, any borrowing arrangements and the Trust's Treasury Management Policy.

3.3. Performance Delivery and Assurance

3.3.1. Provide assurance that financial and performance data is triangulated through cross-verification of data from two or more sources.

3.3.2. Seek assurance from the executive that any appropriate management action has been taken to return the Trust's financial performance to plan and that any such actions or recovery plans are in place are adequately resourced, implemented and monitored.

3.3.3. Provide assurance to the Board that the performance of the Care Groups are in line with agreed annual delivery plans and receive escalation where recovery plans do not resolve any adverse variance.

3.3.4. Review all significant operational risks as they pertain to the Committee and regulatory standards on the high-level risk register and the Board Assurance Framework.

3.4. Capital and Estates Programme

3.4.1. Oversee and recommend to the Board of Directors the annual investment programme for capital expenditure.

3.4.2. Review the Trust's Annual Business Plan, Five-Year Capital Plan and Financial Model and recommend to the Board for approval.

3.5. Understand and monitor the impact of capital schemes on revenue and monitor cash flow implications; as required in accordance with the Trust's delegations.

3.6. Oversee investment / dis-investment in services (with full understanding of financial and service implications of these decisions e.g. overheads).

3.7. Commercial Development

3.7.1. Maintain oversight and approval of the development of the Commercial development activities.

3.7.2. Receive updates on implementation of the Commercial development activities, ensuring requirements remain within budget.

4. Powers

- 4.1. In accordance with the delegated authority outlined above, the Committee is authorised to seek any information it requires from any member of staff, who shall be under a positive obligation to co-operate with any request made by the Committee.
- 4.2. The Committee may request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary in the best interests of the Trust.
- 4.3. The Committee derives its power from the Board and has no powers, other than those specifically delegated in these terms of reference.

5. Membership and Attendance

- 5.1. The Membership shall be defined by the Board under direction of the Chair; for avoidance of doubt membership shall always include:
 - Non-Executive Director (Chair)
 - Non-Executive Director
 - Non-Executive Director
 - Chief Finance Officer
 - Chief Operating Officer
 - Chief Strategy and Transformation Officer
 - Chief Nurse
 - Chief Medical Officer
- 5.2. One of the Non-Executive Directors shall act as Committee Chair. In their absence, one of the other Non-Executive Directors present shall be nominated and appointed as acting Chair for the meeting.
- 5.3. All other members of the Board of Directors shall be entitled to attend and receive Committee agenda and papers.
- 5.4. Other members/attendees may be co-opted or requested to attend as considered appropriate.
- 5.5. The Trust Secretary, Deputy Director of Finance, Workplace Director and Director of Health Informatics will be expected to attend each meeting. Others may be invited to attend all or part of any meeting depending upon issues under discussion.
- 5.6. Unless otherwise determined by the Chair, the duration of appointments to this Committee shall be for a continuous term, with annual review; for the avoidance of doubt, no member may continue to attend following the completion of their Non-Executive or Executive role at the Trust.
- 5.7. Governor and Devon ICS representatives may be invited to attend as observers.

6. Meeting Administration, Record-Keeping and Decision-Making

- 6.1. The Committee shall be supported by a Committee Secretary, or their nominee, who shall be appointed by the Chair.
- 6.2. The duties of the Committee Secretary shall include, the:

- 6.2.1. creation and maintenance of a work plan and reporting schedule;
 - 6.2.2. collation of papers and drafting of the agendas;
 - 6.2.3. record of proceedings and decisions taken by the Committee; including decisions taken in writing outside of the meeting; with such record presented at the following meeting for approval; and
 - 6.2.4. where the Committee has met, virtually or otherwise a record of those present and in attendance should be maintained.
- 6.3. Items for the agenda must be sent to the Committee Secretary a minimum of seven (7) working days prior to the meeting. Urgent items may be raised under any other business.
- 6.4. A decision is taken in accordance with these Terms of Reference when a quorate majority of the members indicate to each other, by any means, that they share a common view on a matter; with each Member holding one vote.
- 6.5. In the event of equality of votes (however communicated) in relation to a specific matter the Chair may exercise a casting vote.

7. Quorum

- 7.1. The quorum necessary for the transaction of business shall be three (3) members; including the Chair, or their nominated deputy. In order to be quorate at least two (2) non-executive directors and one (1) executive director must be present.
- 7.2. A duly convened meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.
- 7.3. Deputies shall count towards the quorum.

8. Frequency of Meetings and Notice

- 8.1. The Committee shall meet as required, at the discretion of the Chair. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair or any of its members.
- 8.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five (5) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

9. Conduct of Meetings and Conflicts of Interest

- 9.1. Except as outlined above, meetings shall be conducted in accordance with the provisions of the Trust's Standing Orders.
- 9.2. As per the Trust's Standards of Business Conduct Policy and Conflicts of Interest Policy, any potential, actual or perceived conflict of interest shall be declared and managed through the Trust's declaration procedure; noting the

enhanced obligations of Executive Officers in accordance with the Trust's Fit and Proper Persons Regulations SOP.

9.3. At the commencement of any meeting, or should any potential, actual or perceived conflict arise during a meeting, the relevant Committee member must declare this and recuse themselves from any relevant decision; this shall be formally noted in the minutes of the meeting.

10. Review and Monitoring Effectiveness

10.1. As part of the Trust's committee effectiveness review process, the Committee shall review its collective performance annually. The purpose of this review is to be assured that the Committee is operating at maximum effectiveness in discharging its responsibilities as set out in these terms of reference and, if necessary, to recommend any changes to the Board.

10.2. The Committee shall review its Terms of Reference and membership annually.