

# Finance, Performance and Delivery Executive Committee

Item 14i

July 2022

<b>Terms of Reference:</b>	<b>Finance, Performance &amp; Delivery Executive Committee</b>
<b>Authorship:</b>	<b>Chief Finance Officer</b>
<b>Board / Committee Responsible for Ratifying:</b>	<b>Integrated Care Board</b>
<b>Approved Date:</b>	<b>July 2022</b>
<b>Ratified Date:</b>	<b>July 2022</b>
<b>Review Date:</b>	<b>Year End 2022/2023</b>
<b>Version Number:</b>	<b>1.0</b>

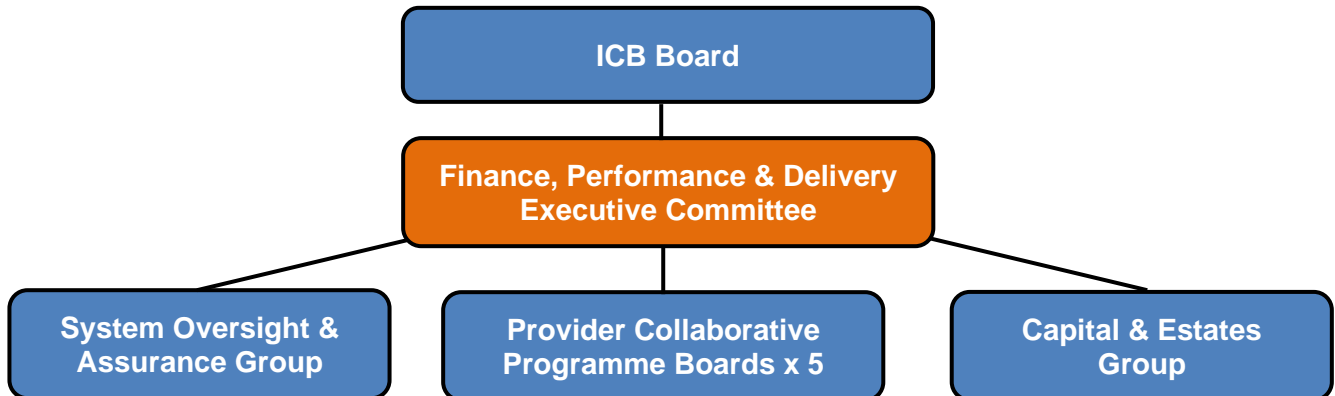
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## 1. Governance

The Finance, Performance & Delivery Executive Committee (FPD) is established by the Integrated Care Board (the Board or ICB) as an Executive Committee of the Board in accordance with its Constitution.

These Terms of Reference (ToR), which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the ICB who it is accountable to.

The FPD executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.



## 2. Authority

The Finance, Performance and Delivery Executive Committee is authorised by the Board to:

- Investigate any activity within its terms of reference;
- Seek any information it requires within its remit, from any employee or member of the ICB who are directed to co-operate with any request made by the executive committee within its remit as outlined in these terms of reference;
- Commission any reports it deems necessary to help fulfil its obligations;
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the executive committee must follow any procedures put in place by the ICB for obtaining legal or professional advice;
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the executive committee members. The executive committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may/ not delegate any decisions to such groups.

The FPD has no executive powers, other than those delegated in the SoRD and Operational Scheme of Delegation (OSD) to individual members of the committee and specified in these terms of reference.

For the avoidance of doubt, the executive committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the SoRD.

### **3. Purpose**

The purpose of the Finance, Performance and Delivery Executive Committee is to contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the ICB Board in the development and delivery of a robust, viable and sustainable system plans.

The FPD is responsible for overseeing, monitoring and reviewing the stewardship of the finances, investments and sustainability of the ICB, including planning, financial performance, capital expenditure and the delivery of the informatics and estates, facilities and capital development annual plans

The duties of the FPD will be driven by the organisation's objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however this will be flexible to new and emerging priorities and risks.

### **4. Responsibilities of the Finance, Performance & Delivery Executive Committee**

The Finance, Performance & Delivery Executive Committee duties can be categorised as follows:

#### **Financial Strategy**

- To develop a medium and long-term financial plan which demonstrated ongoing value and recovery to develop an understanding of where costs sit across a system, system cost drivers and the impacts of service change on costs
- To develop an effective resource allocation approach
- To develop an approach to transformation and efficiency for the Integrated Care Board (ICB) and Integrated Care System (ICS)
- To advise the ICB on any changes to NHS and non-NHS funding regimes and consider how the funding available to the ICB can be best used within the system to achieve the best outcomes for the local population

#### **Resource allocations (revenue and capital)**

- To develop an approach to distribute the resource allocation fairly and equitably, enabling the delivery of the ICB strategy. To ensure health and social inequalities are taken into account in financial decision-making
- To advise on and oversee the process regarding the deployment of system-wide transformation funding
- To work with ICS partners to identify and allocate resources where appropriate to address finance and performance related issues that may arise
- To work with ICS partners to consider major investment/disinvestment outlined in business cases for material service change or efficiency schemes and to agree a process for sign off.

#### **Financial monitoring information**

- To ensure that ICB expenditure is kept within the resources allocated to it identifying where the NHS system (ICB and partner trusts) might exceed the resource limits set by NHSE to achieve system financial balance every year
- To develop a reporting framework for the Integrated Care System (ICS) and agree common approaches across the system such as financial reporting, estimates and judgements

- To monitor and report to the ICB Board overall financial performance against national and local metrics, highlighting areas of concern
- To approve financial recovery plans (of the ICB and partner trusts) where necessary and provide the Chair with assurance over the financial reports from system bodies

### **System financial management framework**

- To set the strategic financial framework of the ICB and monitor performance against it
- To develop the ICB financial information systems and processes to be used to make recommendations to the Board on financial planning in line with the strategy and national guidance
- To approve ICB financial policies.

### **System efficiencies and transformation**

- To understand the financial and performance impact of transformation changes on individual organisations and the wider system
- To ensure system efficiencies are identified and monitored across the ICB, in particular opportunities at system level where the scale of the ICS partners together and the ability to work across organisations' can be leveraged
- To ensure financial resources are used in an efficient way to deliver the objectives of the ICB
- To review exception reports on any material breaches of the delivery of agreed efficiency improvement plan including the adequacy of proposed remedial action plans

### **Other financial duties**

- To ensure that suitable policies and procedures are in place to comply with relevant regulatory, legal and code of conduct requirements
- To develop the Procurement strategy (both in relation to the ICB and any agreed system-wide arrangements) operational service performance, enabling expenditure on individual service areas to be reviewed in line with performance and finance staff development.

### **Performance**

- To assure the ICB Board as to the governance arrangements to support collective accountability between partner organisations for whole-system delivery and performance, underpinned by the statutory and contractual accountabilities of individual organisations.
- To review performance against the delivery of the ICB plan and key performance metrics as set out in the NHS System Oversight Framework for the ICB and ICS.
- To take an overview of performance and transformation at whole system, place and organisation levels in relation to ICS objectives and priorities.
- To oversee a framework for mutual accountability and peer review and support for the partnership.

### **Risk Management**

- To review corporate risks, aligned to the committee for oversight, and implement remedial actions. The Audit Committee will oversee that processes are in place to manage risk effectively.

## **5. Chair, Membership and Attendance**

### **Chair and Vice Chair**

The Finance, Performance & Delivery Executive Committee will be chaired by the Executive Director of Finance and Investment on account of their specific knowledge skills and experience making them suitable to chair the executive committee.

The Vice Chair will be the Chief Operating Officer / Deputy Chief Executive. In the event of the Chair of the Finance, Performance & Delivery Executive Committee being unable to attend all or part of the meeting, the Vice Chair will be appointed to Chair the meeting.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

### **Membership**

The Finance, Performance & Delivery Executive Committee members shall be appointed by the Board in accordance with the ICB Constitution.

### **Core Membership**

- Executive Director of Finance and Investment (Chair)
- Chief Operating Officer / Deputy Chief Executive (Vice-Chair)
- Place Finance Directors
- NHSE Locality Director
- Deputy Director of Finance
- Director of Primary Care and Assurance (COO Office)
- Director of Strategic Planning (COO Office)
- Place Directors
- Executive Director of Clinical and Professional
- Executive Director of Corporate Affairs

### **Attendees**

- Executive Officers may request or be requested to attend the meeting when matters concerning their responsibilities are to be discussed or they are presenting a paper.
- Other individuals may be requested to attend the meeting when matters concerning their responsibilities are to be discussed or they are presenting a paper.

## **6. Meeting Frequency, Quoracy and Decisions**

### **Frequency**

The Finance, Performance & Delivery Executive Committee will meet no less than 6 times per year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the FPD to convene further meetings to discuss particular issues on which they want the executive committee advice.

In accordance with the Standing Orders, the FPD may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

### **Quorum**

The Finance, Performance & Delivery Executive Committee will be quorate when at least the following members of the executive committee are present:

- Chair or Vice Chair
- 1 Executive Member
- 1 Representative from each Place

If any member of the executive committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

### **Decision Making and Voting**

The Finance, Performance & Delivery Executive Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Finance, Performance & Delivery Executive Committee will hold the casting vote.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

## **7. Behaviours and Conduct**

### **ICB values**

Members will be expected to conduct business in line with the ICB values and objectives.

Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Code of Conduct and Behaviours.

### **Equality and diversity**

Members must demonstrably consider the equality and diversity implications of decisions they make.

## **8. Accountability and Reporting**

The executive committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board in accordance with the Standing Orders.

The Chair will provide assurance reports to the Board at each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

### **Groups of the FPD**

To provide a consistent approach in receiving assurance back to the FPD, all groups accountable to the FPD will complete a standardised form that will include key messages and shall draw the attention of any issues that require disclosure or require action. These forms will be managed by the secretary and submitted to the FPD.

## **9. Secretariat and Administration**

The Finance, Performance & Delivery Executive Committee shall be supported with a secretariat function which will include ensuring that:

- The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead;
- Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements;
- Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary;
- Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept;
- The Chair is supported to prepare and deliver reports to the executive committee;
- Action points are taken forward between meetings and progress against those actions is monitored.

## **10. Review**

The Finance, Performance & Delivery Executive Committee will review its effectiveness at least annually. These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

**END**