

## **FINANCE AND PERFORMANCE COMMITTEE**

### **Terms of Reference**

#### **1 Constitution and Authority**

NHS Vale of York Clinical Commissioning Group (CCG) resolves to establish a Committee of the Governing Body to be known as the Finance and Performance Committee (FPC) (the Committee). The Committee has delegated decision making authority as set out in these Terms of Reference. The Committee is authorised by the Governing Body to investigate any activity within its Terms of Reference. It is authorised to seek and has full access to any information it requires, from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised to create working groups as necessary to fulfil its responsibilities within these Terms of Reference. The Committee may not delegate executive powers delegated with these Terms of Reference (unless expressly authorised by the CCG) and remains accountable for the work of any such group.

#### **2 Purpose of the Committee**

The paramount role of the Finance and Performance Committee is to oversee the financial recovery and performance of the CCG.

The Committee shall undertake the scrutiny of all financial recovery plans on behalf of the Governing Body of NHS Vale of York CCG and provide assurance to the Governing Body that appropriate actions are being taken in relation to financial and performance recovery. This does not mean that detailed reports will be sent to every Committee meeting and scrutinised; the Committee is enabled to consider the content of the Risk Report in assessing whether performance and financial recovery is being appropriately managed and also the actions from System Delivery Board or equivalent.

The Committee may request detailed reports on performance, delivery and particular financial recovery plans as required and where there is a significant drop in performance or deviance from financial plan this will be reported by exception to the next committee, verbally if required.

The Committee shall advise and support the Governing Body in scrutinising and tracking delivery of key financial and service priorities, outcomes and targets as specified in the CCG's Strategic and Operational Plans.

The Committee shall pro-actively challenge and review negative variance in delivery against the performance expectations for the CCG, the NHS Constitution, NHS mandate and associated NHS performance regimes, agreeing any action plans or recommendations as appropriate

In particular, the Committee will receive, assess and challenge performance management and contract management information associated with:

- Main provider contracts
- Voluntary sector contracts
- Community Services
- Jointly commissioning services between the CCG and Local Authority
- The CCG's Quality, Innovation, Productivity and Prevent Plan (QIPP)
- The CCG's strategic work-streams
- Other areas of significant risk to the achievement of performance standards and financial balance
- Delivery of the RightCare programme

Either on a bi annual basis or by exception where there is a significant challenge with delivery and performance in these contracts.

The Committee will scrutinise the financial position of the CCG and monitor the delivery of the Commissioning Plan.

The Committee will receive and scrutinise performance delivery information against key performance trajectories ensuring delivery and where necessary corrective actions are followed up.

As part of its deliberations and recommendations, the Committee will take into account the CCG's statutory service responsibilities and service levels.

The Committee shall initiate reviews in its own right and undertake, as directed, reviews on behalf of the Governing Body. Work shall be progressed by co-option of other key individuals.

The Committee shall determine what reports they would wish to see on a regular basis.

The Committee will make decisions on behalf of the Governing Body regarding procurement exercises including determining what procurement process ought to be utilised for the commissioning of services by the CCG (including Direct Award, Competitive Dialogue or other processes). This does not include decisions relating to packages of care for individual patients as assessed by the Executive Director of Mental Health and Complex Care.

The Committee will also make decisions relating to the identity of the body or individual to be awarded contracts by the CCG where the total contract value is below £500,000. In making such a decision the Committee must consider conflicts of interest and where appropriate seek advice on how to manage and mitigate these. This does not include decisions relating to packages of care for individual patients as assessed by the Executive Director of Mental Health and Complex Care.

The Committee will assure itself, on behalf of the Governing Body, that the CCG has a process for managing business continuity and emergency planning. The Committee does not need determine the detail of the plans in place but will be required to ensure that there are appropriate policies in place relating to these matters.

The Committee will assure itself that Information Governance risks are appropriately managed within the CCG.

### **3 Remit**

The Committee has remit over all areas of finance and performance, including, but not limited to, development and implementation of strategy, planning, reporting, delivery, recovery, management, governance and control.

- Review the Medium Term Financial Strategy, ensuring it is consistent with commissioning plans and is sustainable
- Review the Financial Plan, including ensuring all planning assumptions are within the guidelines set by NHS England and that there is clear accountability throughout the plan
- Review and scrutinise the organisation's in-year financial position
- Review and scrutinise all financial forecasts, including forecasting methodology
- Oversee the development of a medium term financial plan, in line with NHS England requirements, in order to support the delivery of an optimum underlying financial position for the CCG
- Ensure the CCG operates within its Detailed Financial Policies (Standing Financial Instructions)
- Review and monitor CCG performance and associated recovery plans, scrutinising additional detail where required
- Review performance information where there is a deviance from national performance targets
- Receive regular contract performance reports where required
- Review and scrutinise delivery of the organisation's QIPP programme, ensuring plans are appropriately phased and reflected in budgets. This may include reviewing for the purposes of lessons learned
- Challenge delivery of rectification plans produced to achieve targets or reduce deficit
- Make Quality and Patient Experience Committee aware of any safety or quality concerns arising from this Committee
- Oversee emergency planning (EPRR) and business continuity planning

#### **4 Risk Management**

The Committee will review the risk register and update the Governing Body on key risks.

Finance and Performance Committee will have oversight of risks referred to in the Risk Management Policy and Strategy as 'Finance Risks' and 'Compliance Risks'. These risks which score a total risk score of between 4 and 15 will be reported to the Committee.

Those risks with a total risk score of 16 or over will be reported to the Governing Body even where they relate to 'Finance Risks' or 'Compliance Risks'

#### **5 Frequency**

The Finance and Performance Committee will meet at a minimum 9 times per financial year.

#### **6 Membership**

Two Lay Members, one of whom shall be the Chair

Accountable Officer

Chief Finance Officer

Executive Director of Nursing and Quality

Executive Director of Transformation, Complex Care and Mental Health

Executive Director of Primary Care and Population Health

In attendance :

Lay Chair of Audit Committee

Director of Finance, NHS England North (or deputy)

Anyone else at the invitation of a member of the Finance and Performance Committee.

#### **7 Quoracy**

A minimum of three members are required for the meeting to be quorate to include a lay member, a clinical executive director (or nominated deputy) and the Chief Finance Officer (or nominated deputy).

#### **8 Accountability**

The Finance and Performance Committee will be accountable to the NHS Vale of York Clinical Commissioning Group Governing Body who will receive the Finance and Performance Committee minutes and a Chair's report which will highlight the key risks discussed.

#### **9 Decision Making**

The Committee acts as an assurance and scrutiny group and provides the opportunity for discussions about financial and performance issues to enable policies to be shaped for approval by the CCG Governing Body. The Committee has specific delegated authority to:

- Develop the annual financial plan for approval by the Governing Body.
- Approval of disposals, condemnations, bad debts, losses and special payments to the value of £50,000 is enacted by the executive approval of the Chief Finance Officer (then taken to Audit Committee to note and review).
- Review the delivery of delivery partners' services and make recommendations to the Governing Body in respect of service delivery, quality, value for money and cost.
- Decisions regarding procurement up to a total contract value of £500,000.
- When a vote is required, each core member of the Committee has a single vote. A simple majority is necessary to confirm a decision. In the event of an equality of votes, the Chair of the meeting shall have the second and casting vote.
- Conflicts of Interest, both actual and perceived, shall be managed in line with NHS Vale of York CCG Conflicts of Interest policy and recorded at the start of every meeting.

## 10 Secretary

The secretary will be responsible for supporting the Chair in the management of the Committee's business.

The Committee will also be supported administratively by the secretary, whose duties in this respect will include:

- Agreement of agenda with Chair and attendees and collation of papers
- Taking the minutes
- Keeping a record of matters arising and issues to be carried forward
- Advising the Committee on pertinent areas

## 11 Committee Effectiveness

The Committee shall review its effectiveness annually.

## 12 Review of Terms of Reference

The Committee shall review its terms of reference at least annually.

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