

Finance & Business Performance Committee Terms of Reference

1. Purpose

The overall purpose of the Committee is to assist the Board in the performance of their duties through monitoring and improving the financial and business performance of the Trust, including making recommendations to the Board in relation to financial and business performance on assurance and relevant decisions. This oversight will consider both assurance on the delivery of the annual operating plan as well as the development of a sustainable long term operational and financial plan and includes:

- Providing assurance to the Board on all aspects of finance and operational performance related to the provision of care and services and in support of providing the best clinical outcomes and experience for patients and delivering value for money.
- Overseeing the optimisation of productivity pathways to improve quality and output from limited resources.
- Overseeing all the financial arrangements of the Trust; providing information to the Board on the financial issues of the Trust and assurance that these are being appropriately addressed; ensuring the development of annual, medium- and longer-term sustainability plans to address demand growth from demographics, technology and social behaviours.
- Overseeing the Trust's performance management framework, focussing on specific areas where there are issues of concern; providing assurance that resources match evolving demand requirements (including considerations of skills mix, pay and benefits realisations from investments).
- Monitoring, and providing assurance to the Board regarding, the effective management of risks and other issues that may jeopardise the Trust's ability to deliver on relevant objectives.
- Providing assurance to the Board that the business plan and supporting strategies are in place, risks and opportunities to delivery known and fit for purpose.
- Considering Trust investment decisions in line with the Scheme of Delegation as well as monitoring delivery of significant projects and/or investments.
- Liaising with other Board Committees to obtain assurance on financial and business performance.

2. Constitution

The Board resolves to establish a standing Committee of the Board to be known as the Finance and Business Performance Committee (the Committee). The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference. These terms of reference shall apply for as long as the Trust is an NHS Trust and can only be amended by the Board.

3. Membership

The Committee shall be appointed by the Board from amongst the non-executive and executive directors of the Trust and include (as a minimum):

- Three non-executive directors with the personal and professional characteristics necessary to be effective; at least one of whom (normally the Chair of the Committee) should be a member of the Audit Committee.
- Chief Finance Officer.

- Chief Operating Officer.

One of the non-executive members will be appointed Chair of the Committee by the Board.

The Chair of the Audit Committee shall not be a member of the Committee but is welcome as an observer.

The following shall attend the Committee at each meeting but as attendees rather than members:

- Trust Board Business Manager.
- Committee Secretary.
- Executive Director with clinical expertise (Chief Nurse or Chief Medical officer).
- Any other Executive/Non-Executive Director including the Chief Executive Officer.

4. **Quorum**

The quorum necessary for the transaction of business shall be three members consisting of at least two non-executive members. A duly convened meeting of the Committee 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. In the absence of the Committee Chair and/or an appointed Deputy, the remaining non-executive members present shall elect one of themselves to chair the meeting.

Where a Committee meeting is not quorate within one half hour from the time appointed for the meeting; or becomes inquorate during the course of the meeting, the Committee members present may determine to adjourn the meeting to such time, place and date as may be determined by the members present.

Where a decision is made by members to continue a meeting which is not quorate any decisions made during that time will need to be ratified by the Board at its next meeting or through a Chair's action if the decision needs to be executed urgently.

5. **Meetings**

The Committee shall meet at least ten times per year (usually monthly) and at such other times as the Chair of the Committee shall require. Meetings of the Committee shall be summoned by the Committee Secretary at the request of the Committee Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the Committee no later than ten days before the date of the meeting. Supporting papers shall be sent to Committee members and other attendees as appropriate at least five working days ahead of the date of the meeting unless agreed otherwise. The Committee shall follow an annual work plan reviewed by the members in advance of each financial year.

The Committee must consider the frequency and timing of meetings needed to allow it to discharge all its responsibilities.

6. **Authority**

The Board of Directors has delegated to the Committee the authority to deal with the matters set out in the paragraphs below.

The Finance and Business Performance Committee is an advisory body with no executive powers; it is not the duty of the Committee to carry out any function that properly belongs to the Board of Directors or the Executive Management Committee. The Committee is, however, authorised by the Board to investigate any activity within its duties as set out below and to seek any information it requires from any employee, who are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. This shall be authorised by the Chair of the Committee and shall be within any budgetary constraints imposed by the Board of Directors.

The Committee has the authority to seek any information it requires from any member of staff and request any member of staff to attend its meetings. All members of staff are directed to comply with such requests.

7. Duties

The Committee shall be responsible for the following duties:

I. Financial Performance

The Committee shall provide oversight of the Trust financial performance in delivering healthcare outputs and targets. As such, the Committee shall consider and review monthly and year to date finance reports which include;

- Volume and complexity of activity and performance against plan.
- Reason for variance, the financial impact and delivery of actions to correct adverse performance.
- Annual and in-year forecasts including risks and mitigating actions.
- Effectiveness of contractual processes.
- Compliance with Standing Orders and Standing Financial Instructions.
- Cash flow and capital management.
- Delivery of the Trust savings plan including review of the transformation and efficiency programme.
- System financial position.
- BHPL Finance Performance, H1, and review of any surplus anticipated for the year and use thereof.

II. Business Planning

The Committee shall provide oversight of the Trust's business planning and will recommend the sign off of the annual operating plan, including an assessment of risks and opportunities to delivery, to Board. The Committee will consider market and environmental analysis reports and make itself aware of developments in the local health economy as well as transformation and efficiency reports.

In doing so, the Committee will sign off and monitor delivery of all relevant supporting/enabling strategies with the exception of the Clinical and Quality strategies (signed off by the Quality and Clinical Governance Committee). These include (but are not limited to) finance, digital, estates, commercial (including BHPL) and procurement. In particular, the Committee shall seek assurance that measures for

success are implemented within appropriate timescales. The Committee will oversee the development and approval of such strategies.

III. Financial Policy, Management and Reporting

The Committee shall provide oversight of the Board financial policies with consideration for the overall financial performance of the Trust. This will be performed through ensuring that development and implementation of high levels of financial control are embedded into operational management of the Trust and financial plans are disseminated and fully understood across relevant staff groups.

In doing so, the Committee will approve:

- Financial policies (making appropriate recommendations to the Board).
- The Trust long- and medium-term financial strategies, in relation to both revenue and capital. This includes overseeing the development of such plans.
- Annual financial targets and the Long-Term Financial Plan.
- The preparation and scrutiny of the annual budget prior to submission to Board.

IV. Investment Policy, Management and Reporting

The Committee shall review and approve, on behalf of the Board, the Trust capital plan in order to maintain oversight of the Trust's investments. As part of this, the Committee will establish the overall methodology, processes and controls which govern capital investments, ensure that robust processes are followed and evaluate, scrutinise and monitor such investments.

The Committee shall consider and recommend to the Board all outline and final business cases (capital and revenue investment) in line with the Scheme of Delegation and monitor implementation of such projects (>£1m). Sub-groups should be set up as required. All business cases approved by the Committee with a value of £1m should be reviewed following implementation to assess benefits realisation and lessons learnt.

The Committee shall consider any BHPL business case over £20k not included within the annual business plan, and make recommendations to BHT Board as appropriate

V. Performance Management

The Committee shall gain assurance on the full range of performance metrics and delivery of annual breakthrough objectives, requesting in-depth examination of key finance and/or performance issues where required. Alongside this, the Committee shall consider associated risks to deliver of Trust objectives. The following will be used to support this function:

- Integrated Performance Report (IPR).
- Breakthrough objectives; performance reporting.
- Corporate Risk Register (CRR).
- Board Assurance Framework (BAF).
- Any other information deemed necessary and requested by the Committee.

The Committee shall oversee and evaluate the Trust performance management strategy to ensure a framework is in place which allows the Trust to performance manage against its annual business plan.

The Committee shall oversee relevant metrics related to estates and asset management including PFI, retained estate and backlog maintenance to demonstrate risk and sustainability and asset utilisation and management. In addition, the Committee shall review and propose future land and property transactions.

The Committee shall review the implementation of digital capabilities.

VI. Annual Review

The Committee shall set annual objectives in line with the purpose and duties of the Committee. A report on progress against these and the terms of reference shall be submitted to the Board at year end.

The Committee shall also undertake any other responsibilities as delegated by the Board. The Committee will meet privately to consider matters of commercial sensitivity.

8. Reporting

The minutes of all meetings shall be formally recorded and a summary submitted, together with recommendations where appropriate, to the Board. This will include recommendations that are deemed appropriate and are within the remit of the Committee. Where action or improvement is needed, these areas will be escalated to the Board.

The Trust's annual report shall include a section describing the work of the Committee in discharging its responsibilities.

9. Review

The Committee shall carry out an annual review of these terms of reference and the effectiveness of the Committee in meeting its purpose. It is expected that Committee members shall attend each meeting, attendance shall be recorded and form part of the annual review.

The effectiveness of the Committee will be monitored by the Audit Committee through receipt of the Committee's minutes and by the Board through receipts of such written or verbal reports that the Chair of the Committee is required to provide.

10. Support

The Committee shall be supported administratively. This support shall ensure:

- The agreement of the agenda with Chair and attendees and collation of papers. Papers will be distributed at least five working days before the meeting in electronic copy.
- Advice to the Committee on pertinent areas is provided.
- That minutes are taken and a record of matters arising and issues to be carried forward is made.

Appendix 1

Annual Objectives

The Committee objectives for the financial year 2024-2025 are as follows, noting the assurance function of the Committee;

- a) Performance
 - i. Oversight of progress against Trust breakthrough objectives for 2024-25 through quarterly reporting;
 - **Improve waiting times** in our Emergency Department, with fewer than 10 patients a day waiting more than 12 hours.
 - **Improve productivity** by a further 5%, ensuring every patient is seen within a year, improving patient outcomes.
 - **Give children living in the most deprived communities the best start in life** by increasing the proportion who have a 12-month review to at least 85%
 - ii. **Tackle the biggest driver of cardiovascular disease** by ensuring at least 75% of outpatients have their blood pressure checked.
 - iii. Oversight of and support for the delivery of enabling Trust strategies.
 - iv. Oversight of key finance risks through bi-annual review.
- b) Finance
 - i. Oversight of the delivery of the annual plan and progress of the Trust from NOF 3 to NOF 2.
 - ii. Oversight of both assurance on the delivery of the annual operating plan as well as the development of a sustainable long term financial plan. Oversight of the delivery and achievement of milestones therein for 2024-25 which will lead to the overall statutory break-even objective.

The appropriateness of these objectives will be considered as part of the annual review of the Terms of Reference.

Document Control

Version	Date	Author	Comments
1.0	26 April 2023	J. James	Periodic review for the Committee
2.0	23 April 2024	J. James	Periodic review for the Committee Approved by Trust Board 29 May 2024 - TBC