

FINANCE & INVESTMENT COMMITTEE

Terms of Reference

1. CONSTITUTION

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the **Finance & Investment** Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

2. AUTHORITY

- 2.1 The Committee is authorised by the 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 to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 2.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

3. PURPOSE

- 3.1 The purpose of the Committee is to provide the Board with assurance concerning the delivery of Trust's financial plans, adherence to the Trust's investment policy and robustness of major investment decisions. The long term focus for the Committee will be the delivery of the Medium Term Financial Strategy including the Long Term Financial Model (addressing both revenue and capital), with a view to recommending its adoption to the Board when assurance gained. *NOTE: Proposals to establish any material new performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

4 MEMBERSHIP

- 4.1 The Committee will comprise of not less than three Non-Executive Directors, [the Director of Finance & Performance Management, the Chief Operating Officer and the Director of Strategy & Organisational Development.](#)
- 4.2 The Chair of the Committee will be a Non-Executive Director and will be appointed by the Trust Chair. If the Chair is absent from the meeting then another Non-Executive Director shall preside.
- 4.3 A quorum will be 3 members, of which there must be at least one Non-Executive Director and one Executive Director.
- 4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

5 ATTENDANCE

- 5.1 The [Associate Director of Finance \(Corporate\) and the Head of Performance Management](#) will attend the meetings.
- 5.2 All other Non-Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee.
- 5.3 The Chairman and Chief Executive will be given a standing invitation to the meetings.
- 5.4 Other Executive Directors or any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.
- 5.5 The Trust Secretary shall be secretary to the Committee and will provide administrative support and advice.

The duties of the Trust Secretary in this regard are:

- Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- Taking the minutes and keeping a record of matters arising and issues to be carried forward
- Advising the Committee as appropriate

6 FREQUENCY OF MEETINGS

6.1 Meetings will be held [on alternate months](#), with additional meetings where necessary.

7 REPORTING AND ESCALATION

7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. The approved minutes will be presented to the next immediate public Trust Board meeting for information.

7.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, highlighting the matters on which future focus will be directed.

7.3 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.

7.4 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.

7.5 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may choose to escalate or seek further assurance in one of five ways:

- (i) insisting on an additional special meeting;
- (ii) escalating a matter directly to the full Board;
- (iii) requesting a chair's meeting with the Chief Executive and Chairman;
- (iv) attending the relevant Executive committee to challenge progress directly; and
- (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

8 REVIEW

8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

9 DUTIES

- 9.1 The Committee shall draw on the standing data set within the integrated performance report that relates to long term goals, Trust objectives, the annual corporate & financial plans and national requirements to seek assurance through:
- 9.1.1 The receipt of reports at each meeting outlining progress with the long term delivery plan appropriate to the domain in which the Committee is providing assurance, paying attention to the depth and breadth of delivery in the Trust, principally through Group level performance within its domain.
 - 9.1.2 The receipt of reports on compliance with key national and local targets relevant to the remit of the Committee
 - 9.1.3 The receipt of reports which focus on improvement or recovery to address areas of material deviation from the long term delivery plan or areas where poor performance against national or local targets is identified
- 9.3 To receive all external reports on the Trust that are deemed to fall within the remit of the Committee, seeking assurance that actions are being taken to address recommendations and other issues identified and that learning is promulgated and acted upon
- 9.4 To seek assurance that the Trust is complying with relevant policies and statutory guidance that falls within the remit of the Committee
- 9.5 To receive reports on key risks to the Trust which fall within the remit of the Committee and seek assurance that sufficiently robust mitigating actions are in place to manage these
- 9.6 To seek assurance on the appropriateness of proposals for the reinvestment of any surpluses generated by the Trust in undertaking its operational activities and recommend to the Board where above delegated limits.
- 9.7 To review the annual budgets for revenue and capital and recommend their adoption by the Board.
- 9.8 To seek assurance on the fitness for purpose of the methodologies for reviewing proposals for major business cases
- 9.9 To seek assurance on the robustness of the process for developing the five year Cost Improvement Programme that is to be incorporated into the Long Term Financial Model. This should include oversight of the arrangements for its delivery, monitoring, recognition of opportunities for further savings and recommendation to the Board.

- 9.10 To seek assurance on the robustness of the investment and (disinvestment, where appropriate) strategy and recommend this to the Board.
- 9.11 To seek assurances on the Trust's plans for the adoption of Treasury management policies as published.
- 9.12 To seek assurance on the Trust's compliance with external financial governance requirements, such as WCF, CoR ratings and other metrics influencing overall financial sustainability (e.g. monitor compliance framework)
- 9.13 To seek assurance on any additional matter referred to the Committee from the Board