

Finance & Investment Committee

Terms of Reference

1. Constitution

The Finance and Investment Committee is established as a Committee of the Board of Directors of Frimley Health NHS Foundation Trust (“the Trust”).

The Finance and Investment Committee will review these Terms of Reference on an annual basis as part of a self-assessment of its own effectiveness. Any recommended changes brought about as a result of the yearly review, including changes to the Terms of Reference, will require Board of Directors approval.

2. Authority

The Finance and Investment Committee is directly accountable to the Board of Directors. All minutes of committee meetings will be reported directly to the Board of Directors.

The Finance and Investment 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 cooperate with any request made by the Financial and Investment Committee.

The Finance and Investment Committee is further authorised by the Board to obtain external independent professional advice and to secure the attendance of specialists with relevant experience and expertise if it considers this necessary.

The Financial and Investment Committee can (via the Chair of The Audit Committee) request assistance from the Trust’s auditors on any aspect of the Trust’s finances as it deems necessary.

The Finance and Investment Committee has delegated powers to approve procurements and Business Cases up to its authorised limits. The limits will be reviewed periodically by the Board of Directors. The authorised limits for the Committee are currently procurements and Business Cases between £3,000,000 and £5,000,000. If the value exceeds £5,000,000 the Committee will review the matter and make recommendations to the Board.

The Chair of the Finance and Investment Committee is authorised to take Chair’s action for urgent financial decisions that may arise between meetings. The exercise of such powers by the Chair shall be reported to the next formal meeting of the Finance and Investment Committee for ratification.

3. Aim

The aim of the Finance and Investment Committee is to provide an objective view of the financial performance, and financial strategy of the Trust, together with an understanding of the risks and assumptions within the Trust financial plans and projections. The committee will review arrangements for procurement, productivity, and efficiency within the Trust, including plans to deliver savings and transformation. The committee will provide assurance to the Board about the integrity and deliverability of the Trust financial and efficiency plans.

The committee has, since 1 April 2019 assumed the responsibility previously held by the Commercial Development and Investment Committee to provide the Board of Directors with assurance that major capital investment schemes are in line with the Trust’s overall agreed strategy.

4. Objectives

Specific responsibilities of the Finance and Investment Committee include:

- Financial strategy and business planning:
 - Review the Trust annual and medium-term financial plans, assess the assumptions therein and the alignment with overall Trust objectives;
 - Review in-year performance against financial plan, particularly gaining an understanding of key assumptions and risks, and review the latest year end forecast outturn;
 - Review through 'Deep Dive Reviews' any areas requiring particular scrutiny;
 - Review levels of contingency within the Trust financial plans and the phasing of key developments and efficiency schemes, ensuring that the full impact of any developments (including depreciation and cost of capital) have been appropriately included; and
 - Review and develop reporting arrangements.

- Income and Contracts management
 - Review the Trust contracting approach with key commissioners
 - Monitor in-year income against contract and levels of risk, including commissioner challenges, accrued income, fines and penalties, and income disputes.
 - Review arrangements for non-activity related income streams, particularly CQUIN, to understand alignment with Trust clinical priorities and levels of income risk.
 - Consider material opportunities to grow new income streams and market share of existing services.

- Transformation and Efficiency
 - Review the process for developing the Efficiency and Excellences Plans and for the oversight and delivery of the programme within the Trust, including the monitoring of efficiency savings;
 - Review the implementation of the Trust's strategies and plans (for example Epic) to provide assurance on the delivery of both financial and non-financial benefits. In the case of non-financial benefits to highlight any shortfalls to the appropriate committee or to the Board;
 - Consider and recommend any major transformation programmes that the Trust should undertake;
 - Review the annual Efficiency and Excellence Plan to provide assurance that delivery risk is minimised, and productivity and efficiency maximised, in particular that contingency, phasing and risk mitigation plans are appropriate and that savings programmes are realistic and deliverable;
 - Receive assurances regarding efficient and effective resource planning, particularly with respect to staffing and the deployment of agency staff;
 - Receive benchmarking and other information (for example from Carter metrics) to assess Trust productivity and ensure targeting or efficiency programmes; and
 - Receive assurance that any process reviews are conducted using appropriate methodologies.

- Major Capital Investment Schemes
 - The Committee has a duty to ensure that a Business Case is prepared which includes sufficient information on the business needs, benefits, risks, funding and affordability, available options, costs, clinical and quality outcome measures, project development milestones, project management and regulatory requirements for it to decide whether or not to approve the scheme or lease; and
 - If major capital investment schemes are approved by the Committee, and by the Board of Directors if appropriate (see Section 2), the Committee will be responsible for reviewing the outcomes achieved following completion.

- Key Commercial Arrangements

- The Committee will review key commercial arrangements including long-term leases, partnership arrangements and major service developments. The Committee will track the progress of such developments, as appropriate.
- Procurement
 - Review the Trust Procurement Strategy, systems and arrangements for obtaining best value; and
 - Monitor progress against the NHS Standards of Procurement within the Trust.
- Other
 - To advise on cash management strategies and levels of cash holding; and
 - Review financial systems arrangements including those used for costing, income and service level reporting where appropriate.
 - Take responsibility for gaining appropriate levels of assurance for those items on the Corporate Risk Register (CRR) for which the Finance and Investment Committee has accepted responsibility for Board Assurance

5. Method of Working

A standard agenda as follows will be used by the Finance and Investment Committee, including the following:-

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Previous Meeting
4. Action Log
5. Review of Business case tracker
6. Any Other Business
7. Date of Next Meeting

All Minutes of the Finance and Investment Committee will be presented in a standard format and all meetings will receive an action log (detailing progress against actions agreed at the previous meeting) for the purposes of review and follow-up.

6. Membership

The Members of the Finance and Investment committee shall comprise at least three Non-Executive Directors, one of whom will chair the meeting and one of whom will be nominated as Deputy Chair.

The Chief Executive, Director of Finance, Medical Director, Director of Transformation, Innovation and Digital and Chief Operating Officer will be members of the meeting. Any other Executive Director or appropriate attendee will be invited to attend as required. The Director of Operational Finance will deputise in the absence of the Director of Finance and will be considered as a member of the committee in that instance.

Other regular attendees will include:

- Director of Operational Finance
- Associate Director of Procurement

Review of Membership

The membership will be reviewed annually by the Committee and Board of Directors to ensure it is still appropriate. Members' meetings attendance records will be kept and published in the Trust's Annual Report as required.

7. Quorum

The quorum shall be three in person or by telephone/video, with at least two Non-Executive and one Executive Director present. 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.

8. Frequency of Meetings

The Finance and Investment Committee will meet at least on a quarterly basis to ensure it is able to discharge all its responsibilities. A rolling agenda will be constructed such that all areas of the Committees function can be appropriately discharged over each financial year.

Committee members are expected to attend a minimum of 75% of the scheduled meetings.

Extraordinary meetings of the Committee may be called at short notice with the agreement of the Chair of the Committee.

9. Secretariat function

The agenda will be prepared by the Committee Chair and Director of Finance and Company Secretary with input from the Committee members and other regular attendees who may propose items for inclusion in the agenda. Items for inclusion in the agenda will be submitted a minimum of two weeks prior to the meeting. The agenda with associated meeting papers will be distributed to members of the Committee by the secretariat one week prior to the meeting. Draft minutes of the meetings will be distributed to all members within one month of the meeting. The secretary to the committee will record and disseminate actions and liaise with Trust members to ensure that actions are progressed and papers collated. The date for the next meeting will be arranged and distributed to all members within one month of the meeting. The date for the next meeting will be arranged and distributed to all members with the draft minutes.

In the case of major investment schemes where an external adviser has been retained, the adviser may circulate the papers to the members of the Finance and Investment Committee.

10. Reporting lines and relationship with other Board committees

The minutes of each Committee meeting will be reported to the private Board of Directors. Minutes of the Committee meetings will be circulated promptly to all members and, when agreed, to all members of the Board.

A summary of the minutes of each meeting will be included in the next public board agenda.

The Finance and Investment Committee has no sub-committees but will receive a variety of reports to allow it to carry out its stated duties. The Committee will work to minimise overlap with the Audit Committee.

Where a significant risk emerges either through a report or through discussion at a Committee meeting, this will be reported to the Board by the Chair. The outcomes of any 'Deep Dive Reviews' will be reported to the Board and any follow up action kept under review by the Committee.

The below table confirms the shared NED membership across the Board committees to facilitate the communication of issues and discussion around agenda items that fall within the remit of more than one committee.

Board Committee	Chair	NED Members
Audit	Gary McRae	Mike O'Donovan, Dawn Kenson and Linda Burke
Finance and Investment	John Weaver	Mike O'Donovan, Gary McRae, Bola Lafe and Pooja Dewan (NeXT Director Programme)

People	Mike Baxter	John Weaver, Gary McRae and Bola Lafe
Quality Assurance	Mike O'Donovan	Mike Baxter, Linda Burke and Na'eem Ahmed (Associate Non-Executive Director)

Minutes of the Committee meetings will be circulated promptly to all members and, when agreed, to all members of the Board.

Reviewed by: Committee
Date: 5 April 2023
Approved by: Board of Directors
Date: 5 May 2023
Review: **April 2024**