

University Hospital Sussex NHS Foundation Trust

FINANCE AND PERFORMANCE COMMITTEE

TERMS OF REFERENCE

1.00 PURPOSE

1.01 The purpose of the Finance and Performance Committee is to support the Trust in achieving both of its Finance and Performance strategic objectives these being;

“We will use our resources efficiently and effectively for the benefit of our patients and their care and to ensure our services are clinically, operationally, and financially sustainable.”

“We will deliver timely appropriate access to acute care as part of a wider integrated care system.”

1.02 The Committee will do this through;

- Providing input and recommendations to the Board to enable delivery of the Finance and Performance strategic objectives and the supporting operational plans, ensuring there is alignment between the two;
- Assisting the Board in its oversight of achievement of the Trust’s Targets, pertaining to the Finance and Performance Domains;
- Monitoring risks relating to the effective use of resources, including financial performance and risks to the effective delivery of constitutional access standards; and
- Providing oversight and assurance to relevant major strategic programmes to support the collaboration and partnership development with other partners as part of the wider Integrated Care System priorities.

2.00 MEMBERSHIP AND ATTENDANCE AT MEETINGS

2.01 The membership of the Committee shall be:

- Chair: a nominated non-executive Director
- At least two further nominated non-executive Directors
- Chief Finance Officer (Lead Executive)
- Chief Operating Officer (Alternate Lead Executive)
- Chief Medical Officer
- Chief Strategy Officer
- Chief People Officer
- Chief Governance Officer

- 2.02 The Trust Chair shall propose which non-executive Directors will be most suitable for nomination as Chair and members of the Committee. The Trust Board shall approve the appointment of the Committee Chair and members, based on the Chair's recommendations. At least one of the Committee members should have recent and relevant financial experience.
- 2.03 In the absence of the Committee Chair one of the remaining non-executive members present shall elect themselves to chair the meeting.
- 2.04 Committee members should aim to attend all scheduled meetings but must attend a minimum of two thirds of meetings. The Committee secretary will maintain a register of attendance which will be published in the Trust's annual report.
- 2.05 Core Corporate Directors will be those who are presenting reports to the Committee but are not voting members of the Committee. These will include:
- Director of Finance
 - Director of Improvement and Delivery
 - Director of Workforce, Planning & Deployment
 - Director of Capital & Property
 - Commercial Director
 - Director of Facilities & Estates
 - Managing Director of Planned Care and Cancer
 - Managing Director of Unscheduled Care
 - Director of Performance
 - Director of Strategy and Planning
- 2.06 Attendees will be asked to attend where they have an item on the agenda, noting that for personal development their attendance at any meeting would be encouraged.
- 2.07 Any member of the Board of Directors shall have the right to attend any meeting of the Committee by prior agreement with the Chair.
- 2.08 The executive members of the Committee may exceptionally send a deputy to the meeting, but the deputy will not have voting rights at the meeting. Those who are in attendance may exceptionally send a deputy to the meeting.
- 2.09 Other Trust managers and clinicians may be invited to attend for particular items on the Agenda that relate to areas of risk or operation for which they are responsible.
- 2.10 The Company Secretary or their nominee shall act as Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chair and Committee members.

3.00 ROLES AND RESPONSIBILITIES

DELEGATED AUTHORITY

- 3.01 The Committee shall have the delegated authority to act on behalf of the Board of Directors in accordance with the Constitution, Standing Orders, Standing Financial Instructions, and Scheme of Delegation. The limit of such delegated authority is restricted to the areas outlined in the Duties of the Committee and subject to the rules on reporting, both as defined below.
- 3.02 The Committee shall have delegated authority to award Contracts and approve Business Cases up to the value delegated to it by the Trust Board.
- 3.03 The Committee should challenge and ensure the robustness of information provided.
- 3.04 The Committee is empowered to investigate any activity within its Terms of Reference, and to seek any information it requires from staff, who are required to co-operate with the Committee in the conduct of its enquiries.
- 3.05 The Committee is authorised by the Board of Directors to obtain independent legal and professional advice and to secure the attendance of external personnel with relevant experience and expertise, should it consider this necessary. All such advice should be arranged in consultation with the Company Secretary.

RESPONSIBILITIES

- 3.06 Where required, the Committee will support the Board and cooperate with the Strategy & Major Projects Assurance Committee to gain assurance, through routine reporting, of the delivery of improvement actions in pursuit of the Trust's Strategy.

Financial and operational performance

- 3.07 To obtain assurance over the use of the Trust's resources (physical, workforce and financial) to ensure that they are being used economically, efficiently and effectively, considering as necessary; activity, productivity, sustainability and safety.
- 3.08 To receive and monitor activity reporting on the use of the Trust physical, workforce and financial resources. This will include effective reporting of service line costs, model hospital and benchmarking to inform unwarranted cost variation, productivity and efficiency opportunities across operational services.
- 3.09 To review and approve the annual plan and medium-term financial plans.
- 3.10 To keep the Board updated on any identified regulatory and statutory duties related to financial performance for the Trust and how this impacts delivery against the control total.
- 3.11 To monitor the Trust's Risk Forecasting against the Financial plan including I&E, Balance Sheet and Cash.
- 3.12 To monitor and receive assurances over the progress of the Trust's efficiency programme.
- 3.13 To receive reports setting out any changes to the financial reporting framework and gain an understanding of the risk associated with any changes including any implications on the Trust and how these regulatory changes can be met.

- 3.14 Review delivery progress and obtain assurance that patient access targets are being delivered (through reviewing performance of A&E, RTT, Cancer and Diagnostics).
- 3.15 To monitor and receive assurance over the wider suite of relevant operational targets including operational productivity and specific non-constitutional standards.
- 3.16 To receive reports setting out any changes to the NHSEI Performance Framework and gain an understanding of the risk associated with any changes including any implications for the Trust and how these regulatory changes can be met.
- 3.17 To review and receive assurance over the data quality systems and processes that supports the Trust's operational performance management and reporting.

Capital

- 3.18 To review and approve the Trust's capital programme, including 3Ts build and to monitor progress and risks associated with the delivery of the operational and strategic capital programmes and to escalate to the Board / other relevant committee any significant risks within its delivery.
- 3.19 To review the estates strategy and Estates masterplan, recommend to the Board, and to monitor progress against and risks associated with the strategy and monitor other estates-related improvement plans.

Environment

- 3.20 To review the Environment, Social and Governance activities of the Trust with reference to national requirements and reporting frameworks and the formulated Trust response to those.
- 3.21 To monitor the implementation of the Trust's Environmental sustainability plans (carbon reduction) and to receive regular progress reports to scrutinise delivery and the meeting of key milestones.

Commercial Activities

- 3.22 Oversight of commercial activities including Joint Ventures, Business Developments and wholly owned subsidiaries.
- 3.23 To review the development and delivery of commercial strategies of the Trust, including partnership arrangements with other organisations.

Procurement

- 3.24 To review the Trust's procurement strategy and policies on a biennial basis and to make recommendations to the Board.
- 3.25 To review the effectiveness of the Trust's procurement systems and processes.

Business cases and Significant Investments

- 3.26 To evaluate and scrutinise the financial viability of business cases (for both revenue and capital spend). This includes receiving recommendations from the Business

Scrutiny Panel and TEC, approving business cases and recommending for approval by the Trust Board those in line with Standing Financial Instructions.

- 3.27 To review the return on investments and benefits realised from major investments made.

Provider Collaboration activity

- 3.28 Receive and review the collaboration and integration activity for the Trust as part of the developing Integrated Care System, and local Place development.
- 3.29 Where relevant Receive and review reports from the ICS meetings, Sussex Acute Collaboration Network and Sussex Health and Care Partnership meetings.
- 3.30 Oversee arrangements for the development of any formal partnership arrangements with other statutory organisations as part of the Trust or ICS agreed strategy.

Emergency Planning and Responsiveness

- 3.31 To assure and approve the Trust's EPRR arrangements and required operational resilience plans including the Winter Plan.

Risk

- 3.32 To review regularly the Board Assurance Framework (including through in-depth reviews of specific risks) and the High-Level Operational Risks with a significant potential for impact on the Trust's Sustainability and System and Partnerships objectives.

4.00 REPORTING AND RELATIONSHIPS

- 4.01 The Committee shall be accountable to the Board of Directors of the Trust.
- 4.02 The Committee shall make recommendations to the Board of Directors concerning any issues that require decision or resolution by the Board.
- 4.03 The Committee shall refer to the Audit Committee, Patient and Quality Committee, People and Culture Committee, or Research, Innovation and Digital Committee any matters requiring review or decision-making in that forum.
- 4.04 The Committee shall receive reports from all sub-groups setting out any matters requiring escalation to the Committee.
- 4.05 On an annual basis the Committee will provide a self-assessment report to the Board detailing how the Committee has discharged its obligations as set out within its terms of reference, specifically incorporating an assessment of its effectiveness and making recommendations for improvement, where appropriate. This will form part of the assurances which support the Annual Governance Statement and the Annual report disclosures and will be submitted in the first quarter of the following financial year.
- 4.06 The Committee Chair or Executive lead shall present a report summarising the proceedings of the meeting at the next Trust Board meeting. This should draw to the attention of the Board any issues that require disclosure to the full Board or require executive action.

5.00 CONDUCT OF BUSINESS

- 5.01 The Committee shall conduct its business in accordance with the Standing Orders of the Trust.
- 5.02 The Committee shall be deemed quorate if there are at least two non-executive Directors and two executive Directors present, one of whom should be the Lead or Alternate Lead Executive for the Committee. A quorate meeting shall be competent to exercise all or any of the authorities, powers and duties vested in or exercised by the Committee.
- 5.03 The Committee shall meet not less than 10 times in each financial year and dates will be set by the end of the previous financial year.
- 5.04 The Committee will set an annual plan for its work to form part of the Board's Annual Cycle of Business, and report to the Board on its progress.
- 5.05 In exceptional circumstances where delaying actions or decisions would have a negative impact on the Trust's business, certain items of business requiring an urgent decision, or the taking of the decision itself, may be conducted outside of formal meetings, in line with the requirements set out within the Trust standing orders. This will normally be agreed by the Committee in advance and executed by either: Chair's action, calling an extraordinary meeting or reaching consensus on a decision by e-mail. Any decisions re to be formally ratified the Committee and/or Board at the next meeting.
- 5.06 The Committee business may be transacted through virtual media (using either teleconference or other collaboration and meeting tools). At the start of each meeting which is taking place without all parties being physically present the Chair shall be responsible for determining that the quoracy arrangements has been achieved and that members can effectively contribute.
- 5.07 The Committee Chair, with the support of the Company Secretary, is responsible for taking appropriate actions to manage conflicts of interest (perceived and actual) during a meeting. Members conflicted on any items of business on a committee meeting agenda shall declare their conflict and withdraw from discussions and/or the decision-making as required. Conflicted members are not to be counted for quorum.
- 5.08 The Company Secretary is responsible for preparing the agenda and collating and circulating papers to Committee Members. Papers should be provided not less than five calendar days before the meeting and the agenda and papers should be circulated not less five calendar days before the meeting, to provide sufficient time for due consideration.
- 5.09 Proceedings and decisions made will be formally recorded by the Company Secretary in the form of minutes and distributed to Committee Members within 10 working days of the meeting.

6.00 TERMS OF REFERENCE

- 6.01 The Committee shall review its own performance, constitution and terms of reference at least every two years to ensure it is operating at maximum effectiveness. Any proposed changes to the terms of reference should be agreed by the Trust Board.

- 6.02 It is the Company Secretary's responsibility to make the necessary updates to the terms of reference.
- 6.03 Approved by Sustainability and Systems and Partnerships Committees (the Committees which were merged to form this Committee March 2024)
- 6.04 Next full review: by March 2027 (recognising that these will be subject to review during the annual review of Committee effectiveness)

Appendix - Mandated reports considered by the Committee

Below is a list of the regulatory mandated reports the Committee would receive over the year

- Annual Financial Plan, including the Trust's Efficiency Programme
- Operational Plan
- Financial and Operational Performance Reports
- Capital Programme and Annual Plan
- Environmental Sustainability Annual Report
- Annual EPRR Report
- Commercial and Procurement Activities Report
- Subsidiary (Pharm@sea) information (prior to AGM)