

Appendix E – Finance and Investment Committee Terms of Reference

1.0 Constitution

- 1.1 The Finance and Investment Committee (the Committee) is established by the Integrated Care Board (ICB) as a committee of the Board of the ICB (the Board) in accordance with its Constitution.
- 1.2 These Terms of Reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.
- 1.3 The Committee is a non-executive chaired committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

2.0 Authority

- 2.1 The Committee is authorised by the Board to:
 - Investigate any activity within its terms of reference.
 - Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) as outlined in these terms of reference.
 - Commission any reports it deems necessary to help fulfil its obligations.
 - Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice.
 - Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's Constitution, Standing Orders and Scheme of Reservation and Delegation but may not delegate any decisions to such groups.
- 2.2 For the avoidance of doubt, the Committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.

3.0 Purpose

- 3.1 To contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board in the development and delivery of a robust, viable and sustainable system financial plan. This includes:
 - Financial performance of the ICB.
 - Financial performance of NHS organisations within the ICB footprint.

- 3.2 The Committee will meet in two parts, as follows.
Part 1: To deal with internal ICB financial and investment issues.
Part 2: To deal with the wider system financial landscape.
- 3.3 The Committee has no executive powers, other than those delegated in the Scheme of Reservation and Delegation and specified in these terms of reference.

4.0 Membership and attendance

Membership

- 4.1 The Committee members shall be appointed by the Board in accordance with the ICB Constitution.
- 4.2 The Board will appoint no fewer than four members of the Committee including at least ~~two~~ three who are independent non-executive members of the Board. The voting Committee members will be
- Non-executive member (Chair).
 - ~~Non-executive member (Deputy Chair)~~
 - ~~Non-executive member.~~
 - Chief Finance Officer.
 - Chief Medical Director.
 - Chief Nurse.
 - ~~Chief People Officer.~~
 - ~~Chief Operating Officer.~~
 - ~~Chief of Primary Care.~~
- 4.3 Members will possess between them knowledge, skills and experience in:
- Accounting.
 - Financial risk management.
 - Technical, commercial or specialist issues pertinent to the ICB's business.
 - Financial strategy and value for money
- 4.4 When determining the membership of the Committee, active consideration will be made to equality and diversity.
- 4.5 Additional attendees will be invited for part 2 of the meeting as relevant to the agenda, but may include the chief financial officers of NHS providers in BLMK.

Chair and Deputy Chair

- 4.5 In accordance with the Constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.
- 4.6 Committee members may appoint a Deputy Chair from amongst its members.

- 4.7 The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these Terms of Reference.

4.8 Attendees – non-voting

4.8.1 The following non-voting attendees will be invited to attend the meetings of the Finance and Investment Committee:

- Chief People Officer.
- Chief Operating Officer.
- Chief of Primary Care.

- 4.8.2 The Committee may also have regular attendees who are not drawn from the Integrated Care Board. Attendees may receive advanced copies of the notice, agenda, and papers for meetings as appropriate to the agenda items. They may be invited to attend any or all the meetings, or part(s) of a meeting by the Chair. Any such person may be invited, at the discretion of the Chair, to ask questions and address the meeting but may not vote:

- Directors of Finance from NHS trusts / foundation trusts and local authorities in the Integrated Care System.
- Non-executive chairs of NHS trust / foundation trust finance committees or other non-executive directors nominated for this purpose by the trusts.
- Chief of Strategy and Assurance.
- ICB Head of Estates.
- ICB Chief Digital and Information Officer.

- 4.9 The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of matters and/or to manage agenda item-specific conflicts of interest.

- 4.10 Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any matter including representatives from the Health and Wellbeing Board(s), secondary and community providers.

Attendance

- 4.11 Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

5.0 Meeting Quoracy and Decisions

- 5.1 The Committee will meet at least four times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

- 5.2 The Board, Chair or Chief Executive may ask the Finance and Investment Committee to convene further meetings to discuss issues on which they want the Committee's advice.

- 5.3 In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

Quorum

- 5.4 For a meeting to be quorate a minimum of 50% of the members are required, including ~~one~~ two non-executive member.
- 5.5 If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.
- 5.6 If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

Decision making and voting

- 5.7 Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach decisions by consensus. When this is not possible the Chair may call a vote.
- 5.8 Only members of the Committee may vote. Attendees are not entitled to vote. Each member is allowed one vote and a majority will be conclusive on any matter. Where there with no clear majority, the Chair of the Committee will hold the casting vote.
- 5.9 If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis using telephone, email or other electronic communication. Where any such action has been taken between meetings, then these will be reported to the next meeting.

6.0 Responsibilities of the Committee

- 6.1 The Committee's duties can be categorised as follows:

System financial management framework

- To shape the system's strategic financial framework and the system's medium term financial plan and monitor performance against it.
- To develop the system's and ICB's financial information systems and processes to be used to make recommendations to the Board on financial planning in line with the strategy and national guidance.
- To ensure health and social inequalities are considered in financial decision-making.

Resource allocations (revenue)

- To develop an approach to distribute the resource allocation through

commissioning and direct allocation to drive agreed change based on the Integrated Care Partnership's and ICB's strategies and to recommend revenue and capital budgets to the ICB.

- To advise on and oversee the process regarding the deployment of system-wide transformation funding.
- To take lead responsibility on behalf of the Board for the review of the system's long-term investment and dis-investment strategy and for recommending significant investment and dis-investment decisions to the Board in line with the delegated limits set out in the Standing Financial Instructions.
- To work with Integrated Care System partners to identify resources where appropriate to address finance and performance related issues that may arise.
- To work with Integrated Care System partners to consider major investment/disinvestment outlined in business cases for material service change or efficiency schemes and to agree a process for sign off including recommending significant business cases to the Board of the ICB.
- To approve contracts for commissioning support in line with the delegated limits set out in the Scheme of Reservation and Delegation.
- To recommend to the Board variations of budgets where that variation has a material impact.
- To recommend to the Board arrangements for risk sharing and or risk pooling with other organisations (for example arrangements for pooled funds with other clinical commissioning groups or pooled budget arrangements under section 75 of the NHS Act 2006).

National framework

- To advise the ICB on any changes to NHS and non-NHS funding regimes and consider how the funding available to the ICB can be best used within the system to achieve the best outcomes for the local population.
- To oversee national ICB level financial submissions.
- To ensure the required preparatory work is scheduled to meet national planning timelines.

Financial monitoring information

- To develop a reporting framework for the ICB as a statutory body, using the chart of accounts devised by NHS England and the Integrated Single Financial Environment (ISFE) and the ICB as a system of bodies.
- To approve arrangements for the discharge of the ICB's statutory financial duties.
- To articulate the financial position and financial impacts (both short and long-term) to support decision-making.
- To work with Integrated Care System partners to identify and agree common approaches across the system such as financial reporting,

estimates and judgements.

- To work with Integrated Care System partners to seek assurance over the financial reports from system bodies and provide feedback to them (being clear on how this role interacts with that of the Audit and Risk Assurance Committee)
- To oversee the development of financial and activity modelling to support the ICB priority areas.
- To develop a medium and long-term financial plan which demonstrated ongoing value and recovery.
- To develop an understanding of where costs sit across a system, system cost drivers and the impacts of service change on costs.
- To ensure appropriate information is available to manage financial issues, risks and opportunities across the ICB.
- To manage financial and associated risks by developing and monitoring a finance (and estates) risk register.

Performance

- To oversee the management and delivery of the system financial target and the ICB's own financial targets.
- To agree key outcomes to assess delivery of the ICB system financial strategy.
- To monitor and report to the Board overall financial performance against national and local Integrated Care System targets, highlighting areas of concern.
- To monitor and report to the Board key service performance which should be considered when assessing the financial position.

System efficiencies

- To ensure system efficiencies are identified and monitored across the system, pursuing opportunities at system level where the scale of the ICB partners together and the ability to work across organisations can be leveraged.
- To work with the Quality and Performance Committee and the Health and Care Senate to ensure that system efficiencies are designed to improve population health outcomes and that quality and quality impact assessments of system efficiencies are undertaken.
- To ensure financial resources are used in an efficient way to deliver the objectives of the Integrated Care System.
- To review exception reports on any material breaches of the delivery of agreed efficiency improvement plans including the adequacy of proposed remedial action plans

Communication

- To co-ordinate and manage communications on financial governance with

stakeholders internally and externally.

- To develop an approach with partners, including the Bedfordshire, Luton and Milton Keynes Health and Care Partnership, to ensure the relationships between cost, performance, quality and environmental sustainability are understood.

People

- To develop a system finance staff development strategy, to ensure excellence by attracting and retaining the best finance talent.
- To ensure that suitable policies and procedures are in place to comply with relevant regulatory, legal and code of conduct requirements.

Capital (including estates and digital investment)

- Ratify proposals for the acquisition or disposal of property.
- To be advised by the Capital and Estates Oversight Group and System Finance Directors on the development of the system estates strategy and plan to ensure it properly balances clinical, strategic and affordability drivers and to recommend the system estates strategy to the Board of the ICB for approval.
- To monitor the system capital programme against the capital envelope and take action to ensure that it is appropriately and completely used.
- To gain assurance that the estates plan is built into system financial plans.
- To ensure effective oversight of future prioritisation and capital funding bids.

Other

- To approve banking arrangements
- To approve the agreement and monitoring of the annual Procurement Plan.

7.0 Behaviours and Conduct

ICB Values

- 7.1 Members will be expected to conduct business in line with the ICB values and objectives.
- 7.2 Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Conflicts of Interest Management and Standards of Business Conduct Policy.

Conflicts of Interest

- 7.3 In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to both the ICB's policies and national guidance on managing conflicts of interest.

- 7.4 All potential conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Chair and submitted to the Board. If the Chair considers a conflict of interest exists then the relevant person must not take part in that item, and the Chair may require the affected member to withdraw at the relevant point.

Equality and Diversity

- 7.5 Members must consider the equality and diversity implications of decisions they make.

8.0 Accountability and reporting

- 8.1 The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.
- 8.2 The minutes of the meetings shall be formally recorded by the secretary in accordance with the Standing Orders.
- 8.3 The Chair will provide assurance reports to the Board after each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.
- 8.4 The Committee will provide an annual report to the Board to describe how it has fulfilled its terms of reference, details on progress and a summary of key achievements in delivering its responsibilities.

9.0 Secretariat and Administration

- 9.1 The Committee shall be supported with a secretariat function which will include ensuring that:
- The agenda and papers are prepared and distributed at least five working days before each meeting in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant Executive lead.
 - Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not attend at least 75% of meetings.
 - Records of members' appointments and renewal dates are reviewed and the Board is prompted to renew membership and identify new members where necessary.
 - Good quality minutes are taken in accordance with the Standing Orders and agreed with the Chair and that a record of matters arising, action points and issues to be carried forward are kept.
 - The Chair is supported to prepare and deliver reports to the Board.
 - The Committee is updated on pertinent issues / areas of interest / policy developments.
 - Action points are taken forward between meetings and progress against those actions is proactively monitored.

10.0 Review

- 10.1 The Committee will review its effectiveness at least annually.
- 10.2 These Terms of Reference will be reviewed at least every two years and more frequently if required. Any proposed amendments to the Terms of Reference will be submitted to the Board for approval.