

FINANCE & PERFORMANCE COMMITTEE

TERMS OF REFERENCE

1. ROLE OF THE COMMITTEE

Purpose:

This Committee scrutinises and provides the CCG Board with assurance on the delivery of the CCG's remit in respect of the CCG's overall financial position (including running costs) and for service performance for commissioned services not delegated to the Joint Committee (JC). The Committee also maintains local oversight of IM&T and estates developments.

The Committee will oversee the Savings Programme Board's scrutiny and challenge role to ensure the delivery of the CCG's programme of financial savings. The Committee will act as a point of approval for major changes to the existing projects and plans, where these are based on considerations related to the achievement of financial or other benefits. The Committee will also assess whether there is continued business justification for existing projects and programmes where the financial or other benefits have changed.

Objectives:

The Committee will monitor, on behalf of the CCG Board, delivery of the CCG financial, operational and performance targets. In meeting its responsibilities the Committee will:

- Provide assurance and advise the Board on the contractual and national standard performance of all non-Joint Committee commissioned services with the exception of clinical quality indicators. Issues to be reported on an exception basis
- Provide the Board with advice and assurance on financial performance
- Receive and comment on financial forecasts, analysis of financial risk and financial planning
- Oversee and ensure remedial action when activity/performance issues/variances arise either against targets or key assumptions made in drawing up activity/finance plans
- Receive best value reports/benchmarking identifying outliers/issues and make recommendations regarding necessary action, if appropriate
- Receive and advise on medium term financial and savings planning including the refresh of the Financial Recovery Plan
- Ensure that there are appropriate mechanisms in place to assure the Board that systems, policies and people in place are operating in a way that is effective, focused on key risks and driving the delivery of the CCG's objectives.

- Receive reports from non-JC commissioned Service Performance and Review Groups (SPRGs) on an exception basis and agree appropriate action
- Receive financial reports from the Joint Committee and make recommendations to or request actions as deemed appropriate in order to assure the CCG Board on the financial impact of Joint Committee commissioned services up
- Note by exception or on a cyclical basis performance against key provider contracts commissioned directly by the CCG..
- Review and monitor the procurement programme and the contestability plan/process of key programmed procurements.
- Consider the procurement route for business cases and recommend appropriate action
- Consider and advise on the management of the capital programme
- Review and challenge the delivery of financial savings, activity impacts and other benefits from QIPP projects.
- Receive regular reports on the overall level of achieved and projected savings, activity impacts and other benefits for the programme and, at summary level, the projects comprising it.
- Obtain an understanding from Executive leads and Project Managers of any additional actions required to ensure the achievement of the financial recovery plan objectives and identified benefits.
- To review risks to delivery and to approve proposed remedial action as required.
- Set financial, risk and quality tolerances for authorised projects/programmes, beyond which exception reporting and renewed approval is required.
- Where a project or programme exceeds set financial, risk or quality tolerances, to assess whether there is continued business justification for the project or programme and if not to agree corrective action or decide that it should cease.
- To identify and manage interdependencies by ensuring programme and project teams co-ordinate work and avoid duplication.
- To receive confirmation from the Savings Programme Board that the actions required to deliver the projects are on track via meeting minutes.
- Receive Closure/lessons reports on projects prepared by Project Managers and the Annual Programme Lessons report prepared by the Head of PMO, to consider all learning related to the more effective achievement of financial and other benefits.
- Review the financial impacts of potential premises improvement and new build schemes on behalf of the CCG and confirm CCG support prior to submission to the NHSE Capital Premises Oversight Group, as appropriate, ensuring that value for money has been demonstrated and any revenue implications are clearly identified.

- Ensure that appropriate rigour has been applied to the case for change, specification, procurement, implementation and mobilisation any significant IM&T investment plans.
- Agree the relative priority of IM&T investment projects where flexibility exists outside of any national programmes, confirming support for business cases where appropriate.

2. ACCOUNTABILITY

Accountable to:

The Mid Essex CCG Board

Accountable for:

Assuring the Board on financial and performance information and reporting including forecasting and the taking of appropriate remedial action.

The Savings Programme Board is a sub-committee of the Finance and Performance Committee and accountable to the Committee.

3. DECISION MAKING

Approving financial matters within delegated authority.

Approving minor amendments on behalf of the Board, or endorsing new and/or significant amendments for approval by the Board, of policies and procedures within its remit.

The Committee can, where contributing to the organisation's strategic objectives, on behalf of the Board, take decisions to:

- Approve alterations to the organisation's FRP savings target/requirement
- Approve the procurement route for contracts expected to have a value of up to £1,000,000 (for contracts above £1,000,000, and those under that value that are considered contentious, procurement route to be approved at Board)
- Approve the awarding of contracts between £100,000 and £500,000 (£150,000 and £750,000 for contracts exceeding 12 months)
- Approve virements over £500,000
- Approve consultancy staff where aggregate spend in any one year exceeds £50,000 (subject also to complying with national approval regimes)
- Postpone or cancel a service development being delivered as part of the savings programme where not financially or otherwise viable, subject to clinical review.
- Subject to clinical sign-off by the Live Well Committee and any consultation requirements, agree to de-commission services up to a value of £500k. De-commissioning plans above the value of £500k or which are considered to be particularly contentious will be referred to the CCG Board for a final decision.

Decisions will be made on the basis of consensus and where consensus cannot be reached they will be made on the basis of a simple majority vote, with the Chair holding the casting vote.

Where decisions are required outside of the meeting these can be taken virtually following agreement of the Chair.

4. MANAGEMENT OF CONFLICTS OF INTEREST

Members of the Committee will be required to declare any relevant interests to the CCG in accordance with the CCG's Conflicts of Interest Policy (MECCG003).

A register of Committee members' interests and those of CCG staff and representatives from other organisations who regularly attend Committee meetings will be produced for each meeting. Committee members will be required to declare interests relevant to agenda items as soon as they are aware of an actual or potential conflict so that the Committee Chair can decide on the necessary action to manage the interest in accordance with the Policy.

5. MONITORING AND REPORTING

Monitoring Arrangements:

The Committee will require regular reports in relation to the CCG's financial recovery and transformational plan, together with exception and issue reports as necessary, to enable it to discharge its duties effectively.

Reporting arrangements:

Receive action minutes of the Savings Programme Board.

Formal and draft minutes (according to timing) of the Finance & Performance Committee are reviewed by the Audit Committee and Action Points are reported to the Board.

6. MEMBERSHIP

Core Members;

Commercial Lay Member (Chair)
GP Representative (Vice Chair)
Deputy Accountable Officer
Chief Transformation and Strategy Officer
Chief Finance Officer
Director of Governance and Performance
Director of Nursing or a senior nurse from the Nursing & Quality Directorate
Deputy Chief Finance Officer

Nominees may attend where core members are not able to attend

7. QUORUM

This Committee will be considered quorate when the following members, as a minimum are present:

Chair or Vice Chair
Deputy Accountable Officer or nominee
At least one clinical member
At least one member of the Commissioning Directorates
Chief Finance Officer or Deputy Chief Finance Officer

8. MEETING FREQUENCY

The Finance and Performance Committee will normally meet bi-monthly. Informal meetings may be held in the months when formal meetings are not scheduled, in order to debate and progress issues. Informal meetings do not have decision-making powers and therefore are not required to be quorate or attended by the Chair or Vice-Chair. Papers for the informal meetings will be circulated to the full membership and the Chair of the Audit Committee.

9. REVIEW OF EFFECTIVENESS

The Committee will develop a work plan that prioritises and monitors the delivery of its objectives. This work plan will be monitored regularly and will be formally reviewed on an annual basis.

10. COMMITTEE ADMINISTRATION

The servicing of this Committee will be by the PA to the Chief Finance Officer.

Papers will be circulated 5 working days in advance of the meeting. Late papers will not normally be accepted and must be agreed with the Chair or, if unavailable, the Chief Finance Officer.

11. REVIEW OF TERMS OF REFERENCE

These Terms of Reference will be reviewed annually or earlier if required.

Date of Board approval: 27 June 2019