

Mid Essex CCG

Finance & Performance Committee

Terms of Reference

1. Status

- 1.1. The Finance & Performance Committee (the Committee) is a committee of, and accountable to, the CCG Governing Body.
- 1.2. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the committee and shall have effect as if incorporated into the CCG's Constitution and Standing Orders.

2. Purpose

- 2.1 The Finance & Performance Committee will provide objective oversight and scrutiny of the CCG's financial plans and decisions, including recommendations from the System Finance Leads Group, and will approve investment decisions within its remit according to the detailed financial limits set out in the CCG constitution. The Committee shall regularly review the CCG's financial performance and identify the key issues and risks requiring discussion or decision by the Governing Body. The Committee will also review the performance of the main services commissioned by the CCG.

3. Authority

- 3.1. The Finance & Performance Committee is accountable to the Governing Body.
- 3.2. The Finance & Performance Committee is authorised by the Governing Body to:
 - 3.2.1. investigate any activity within its terms of reference. It is authorised to seek any information it requires within its remit, from any employee, member of the CCG or member of the Governing Body who are directed to co-operate with any request made by the committee within its remit as outlined in these terms of reference;
 - 3.2.2. commission any reports it deems necessary to help fulfil its obligations;
 - 3.2.3. 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 CCG and Governing Body for obtaining legal or professional advice; and
 - 3.2.4. create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's membership. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the CCG's constitution, standing orders and

Scheme of Reservation and Delegation (SoRD).

- 3.3. For the avoidance of doubt, in the event of any conflict, the CCG's Standing Orders, Standing Financial Instructions and the SoRD will prevail over these terms of reference.

4. Duties

- 4.1. The responsibilities and duties of the Finance & Performance Committee can be categorised as follows:

Financial Performance

- 4.1.1 To oversee the development of the CCG's Financial Strategy and Revenue and Capital Plan and assure the robustness of any underlying assumptions made in drawing up these plans, ensuring that the CCGs act in accordance with their financial duties whilst supporting achievement of the system control total
- 4.1.2 To receive and advise on medium term financial and savings planning, including the refresh of the Financial Recovery Plan.
- 4.1.3 To review annual budgets/short-term financial plans prior to approval by the Governing Body.
- 4.1.4 To monitor in-year financial performance, reviewing and challenging the delivery of savings plans, seeking explanations for significant deviations from budgets and recommending corrective action should forecasts suggest that financial balance will not be achieved.
- 4.1.5 To consider and advise on the management of the capital programme.

Commissioning Performance

- 4.1.6 To maintain an overview of the performance of the main services commissioned by the CCG
- 4.1.7 To provide assurance and advise the Governing Body on performance against key contractual and national performance indicators, ensuring that action plans are implemented to address areas of significant underperformance.

Other Duties

- 4.1.8 To receive best value reports/benchmarking identifying outliers/issues and make recommendations regarding necessary action, as appropriate.
- 4.1.9 To seek assurance that effective management of risk is in place to manage and address finance and performance issues. This includes scrutiny of the relevant sections of the Board Assurance Framework and Corporate Risk Register.

Investment (including Procurement)

- 4.1.10 To consider business cases / service proposals and recommend appropriate action, e.g. procurement route, ensuring compliance with appropriate legislation and guidance. The committee will approve investments and procurements within its delegated limits.
- 4.1.11 To review procurement outcomes and approve the award of contracts and/or make recommendations to the Governing Body, in accordance with the Scheme of Delegation.
- 4.1.12 To review and monitor the procurement programme and the contestability plan for key programmed procurements.
- 4.1.13 To review lessons learned from procurements and recommend changes to practice and procedures where necessary.

5. Membership

- 5.1. The Committee shall be appointed by the Governing Body.
- 5.2. The Committee's membership will comprise:
 - 1.1.1 Up to 2 Elected GP members of the Governing Body
 - 1.1.2 Up to 2 Lay members of the Governing Body
 - 1.1.3 Chief Finance Officer or nominated deputy
 - 1.1.4 One other Executive Director or nominated deputy

6. Attendees

- 6.1. Only members of the Committee have the right to attend meetings.
- 6.2. The Chair of the Committee may invite other individuals (e.g. Performance Lead, Governance Lead) to attend all or part of a meeting as and when appropriate. Such attendees will not be eligible to vote.

7. Chair

- 7.1. The Committee will be chaired by a non-executive member of the Governing Body.
- 7.2. If an elected GP member of the Governing Body is the Chair, a Lay member will be the deputy Chair. If a Lay member of the Governing Body is the Chair, an elected GP member will be the deputy Chair.
- 7.3. In exceptional circumstances, where urgent action is required, the Chair is authorised to take urgent action with prior discussion with one other committee member. A report should be made to the full committee at the earliest next opportunity.

8. Quoracy

- 8.1. The quorum necessary for the transaction of business shall be three members including the CFO or nominated deputy and a non-executive member.
- 8.2. A meeting is established when members attend face-to-face, by telephone, video-call, any other electronic means or a combination of the above.
- 8.3. A meeting of the Committee at which a quorum is present, or are available by electronic means, is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

9. Decision making and voting

- 9.1. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.
- 9.2. Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.
- 9.3. Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.
- 9.4. If a decision is needed which cannot wait until the next scheduled meeting, the chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

10. Administration

- 10.1. The Committee does not meet in public but it may meet in common with other CCG committees.
- 10.2. Meetings will be held when required, with a minimum of 4 meetings per year.
- 10.3. Secretariat support will be provided to the Committee to ensure the committee can discharge its function effectively and efficiently.
- 10.4. The Chair will agree the agenda prior to the meeting and the agenda and supporting papers will be circulated in accordance with the time specified in the CCG Standing Orders.
- 10.5. Any items to be placed on the agenda are to be sent to the secretary no later than seven calendar days in advance of the meeting. Items which miss the deadline for inclusion on the agenda may be added on receipt of permission from the Chair.
- 10.6. Minutes will be taken at all meetings including telephone and electronically facilitated meetings.
- 10.7. The minutes and/or a report of the Committee's proceedings will be ratified by agreement of the Committee or Committee Chair prior to presentation to the

Governing Body and CCG Joint Committee.

11. Conflicts of Interest Management

- 11.1. No member of the Committee, or attendee, shall be present, take part in or be party to discussions about any matter relating to their own role.
- 11.2. The Committee will operate in accordance with *Managing Conflicts of Interest: Statutory Guidance for CCGs* and the CCG policy and procedure for managing conflicts of interest at all times.
- 11.3. Where a member of the Committee is aware of an interest, conflict or potential conflict of interest in relation to the scheduled or likely business of the meeting, they will bring this to the attention of the Chair of the meeting as soon as possible, and before the meeting where possible.
- 11.4. Any declarations of interests, conflicts and potential conflicts, and arrangements to manage those agreed in any meeting of the Committee, will be recorded in the minutes.
- 11.5. Failure to disclose an interest, whether intentional or otherwise, will be treated in line with the CCG policy and may result in suspension from the Committee.

12. Reporting Responsibilities and Review of Committee Effectiveness

- 12.1. The Committee will submit copies of its minutes and/or a report of its proceedings to the Governing Body and the CCG Joint Committee following each of its meetings. Where minutes and reports identify individuals, or otherwise fulfil the requirements, they will not be made public and will be presented at part II of the Governing Body meeting. Public reports will be made to satisfy the requirements of the 2012 NHS Regulations (CCG) 16(2-5).
- 12.2. The Committee will provide an annual report to the Governing Body to provide assurance that it is effectively discharging its delegated responsibilities, as set out in these terms of reference.
- 12.3. The Committee will conduct an annual review of its effectiveness to inform this report.

13. Review of Terms of Reference

- 13.1. These terms of reference will be formally reviewed by the Committee on an annual basis, but may be amended at any time.
- 13.2. Any proposed amendments to the terms of reference will be submitted to the Governing Body for approval.
- 13.3. A record of the date and outcome of reviews is kept in the CCG governance handbook.