

# Financial Sustainability Committee

## Terms of Reference

<b>Chair:</b>	Lay Member for Finance
<b>Vice Chair</b>	Lay Member for Audit and Governance
<b>Administrator</b>	Executive Assistant
<b>CCG Executive Lead</b>	Chief Finance Officer/Financial Sustainability Director
<b>Frequency of Meetings</b>	<p>Monthly</p> <p>Agendas and papers will be distributed at least five working days in advance of the meeting, unless there are exceptional circumstances for individual papers</p> <p>Minutes to be distributed within ten working days after the meeting</p>
<b>Quorum</b>	<p>Five members</p> <p>This must include at least one Lay Member, one clinician, one Executive Director and a finance expert.</p>
<b>Membership</b>	
<b>Members</b>	<ul style="list-style-type: none"> <li>• Lay Member for Finance (Chair)</li> <li>• Lay Member for Audit and Governance (Vice-Chair)</li> <li>• Lay Member for Primary Care</li> <li>• CCG Chair</li> <li>• Elected Governing Body GP Leads x 2</li> <li>• Medical Director (S&amp;T)</li> <li>• Accountable Officer</li> <li>• Chief Finance Officer</li> <li>• Financial Sustainability Director</li> </ul>
<b>In Attendance</b>	<ul style="list-style-type: none"> <li>• Managing Directors</li> <li>• Chief Nursing Officer</li> <li>• Director of Strategy and Transformation</li> <li>• Associate Director of PMO</li> <li>• FRP Schemes SROs, where not already specified</li> </ul> <p>• Other individuals will be requested to attend the committee as required, dependent on the items of business</p>
<b>Appendices</b>	Appendix 1: Scheme of Reservation and Delegation Extract

## **1. INTRODUCTION AND STATUTORY FRAMEWORK**

- 1.1 The Financial Sustainability Committee (FSC) is established in accordance with the Herefordshire and Worcestershire CCG Constitution, Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation.
- 1.2 These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the FSC and shall have effect as if incorporated into the constitution.
- 1.3 The FSC Committee is an oversight and assurance Committee of the Governing Body and has the ability to execute any powers assigned to it by the Governing Body and those specifically delegated in these terms of reference and/or through the CCG's Constitutional Scheme of Reservation and Delegation.

## **2 PURPOSE**

- 2.1 The purpose of the FSC is to develop and monitor delivery of a robust Financial Sustainability Plan and to assume overall responsibility regarding financial reporting for the Herefordshire and Worcestershire CCG. This broadly includes:
  - Development and approval of a robust Financial Sustainability Plan
  - Ensure that the actions contained within the plan are delivered and report to the Governing Body on progress.
  - Oversee the in year financial plan and financial position to ensure this remains in line with the signed off financial plan for the CCG
  - Oversee the development of the LTFM (Long Term Financial Model) and financial plan for 20/21, including planning assumptions and alignment to the overall CCG strategy
  - Provide assurance to the Governing Body on the sufficiency of actions to secure delivery of in year financial targets and progress towards medium term financial sustainability.
  - Make specific recommendations to the Governing Body of any additional actions that may be necessary.
  - Take decisions on actions necessary to support delivery of the Financial Sustainability Plan, within approved delegated limits

## **3. REMIT AND RESPONSIBILITIES**

- 3.1 The key duties of the FSC are as follows:
  - Oversee production and delivery against a financial sustainability plan and financial risk mitigation plans which capture all of the actions, the governance arrangements

and sets out overarching delivery plans for each of the financial sustainability workstreams

- Ensure a clear understanding of the financial risk relating to the CCG. The committee will review and revise the financial risk on a monthly basis based on actual financial performance
- The committee will receive assurance from SROs that a robust Financial sustainability Programme is in place as the prime means for securing a sustainable financial position, effective management of risks and assurance around programme delivery on an in year and recurrent basis
- Where forecast financial delivery falls short of target and does not adequately mitigate risk, the committee will agree the approach to identifying the further schemes necessary to resolve the gap on a recurrent basis.
- Review and approve additional cost reduction, cost avoidance and cost out measures to bridge any residual gap and further mitigate risks
- Review and approve relevant financial strategies that are linked to the committee's area of responsibilities
- Review plans to ensure financial sustainability in the medium term - ensuring alignment and engagement with system wide working and the development of the Integrated Care System
- Ensure an SRO is accountable for each action and to hold to account for delivery. Each SRO will be an executive director. The committee will undertake robust confirm and challenge of progress reports with particular focus on exception reports and recovery plans and agree any support requirements necessary to achieve successful delivery of plans
- Consider the CCG's capacity and capability to deliver financial sustainability actions and develop proposals to address where necessary
- Approve the necessary reports and information to be taken to the Governing body to provide assurance on the sufficiency of actions, progress on delivery, risk and mitigations together with recommendations for additional actions required
- Consider lessons learnt and reflect these in future planning and delivery mechanisms.

## **4 MEMBERSHIP**

4.1 The membership comprises of:

- Lay Member for Finance (Chair)
- Lay Member for Audit and Governance (Vice-Chair)
- Lay Member for Primary Care
- CCG Chair
- Elected Governing Body GP Leads x 2
- Medical Director (S&T)
- Accountable Officer

- Chief Finance Officer
  - Financial Sustainability Director
- 4.2 A quorum shall be five members. This must include at least one Lay Member, one clinician, one Executive Director and a finance expert.

## **5. ATTENDANCE AT MEETINGS**

5.1 The following individuals will be invited attend on regular basis.

- Managing Directors
- Chief Nursing Officer
- Director of Strategy and Transformation
- Associate Director of PMO
- FRP Schemes SROs, where not already specified

Other individuals will be requested to attend the Committee as required, dependent on the items of business

## **6. DECLARATIONS OF CONFLICTS OF INTEREST**

- 6.1 The provisions of Managing Conflicts of Interest: Revised Statutory Guidance for CCGs or any successor document will apply at all times.
- 6.2 The chair and governance lead will have an extract of Committee members' conflicts of interest declarations available for reference. 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.
- 6.3 Conflicts of Interest will be included as a standing agenda item at the beginning of each meeting, where the chair will invite any members to declare any interests in connection to the business of the meeting.
- 6.4 The Chair of the meeting will determine how this should be managed and inform the member of their decision. The Chair may require the individual to withdraw from the meeting or part of it. Where the Chair is aware that they themselves have such an interest, conflict or potential conflict of interests they will bring it to the attention of the Committee, and the Vice Chair will act as Chair for the relevant part of the meeting.
- 6.5 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. This will be subsequently recorded within the "Conflicts of Interest Declared During a Meeting" register.
- 6.6 Failure to disclose an interest, whether intentional or otherwise, will be treated in line with the Managing Conflicts of Interest: Revised Statutory Guidance and may result in suspension from the Committee.
- 6.7 All members of the Committee shall comply with, and are bound by, the requirements in the Herefordshire and Worcestershire CCG's Constitution, Standards of Business Conduct and Conflicts of Interest Policy, the Standards of Business Conduct for NHS staff (where applicable) and NHS Code of Conduct.

## **7. MEETINGS AND VOTING**

- 7.1 The Committee will operate in accordance with the CCG's Standing Orders. The Executive Assistant supporting the Committee will be responsible for giving notice of meetings. This will be accompanied by an agenda and supporting papers and sent to each member representative no later than five working days before the date of the meeting. When the Chair of the Committee deems it necessary, in light of the urgent circumstances, to call a meeting at short notice, the notice period shall be such as they shall specify.
- 7.2 Each member of the Committee will have one vote. The Committee will reach decisions by a simple majority of members present, but with the Chair having a second and deciding vote, if necessary. However, the aim of the Committee will be to achieve consensus decision-making wherever possible.
- 7.3 If a decision is needed which cannot wait for the next scheduled meeting or it is not considered necessary to call a full meeting, the Committee may choose to convene a telephone conference or conduct its business on a 'virtual' basis through electronic means. Minutes will be recorded and tabled at the following meeting for review.

## **8. BOARD SECRETARY**

- 8.1 The Associate Director of Corporate Services, in their role of Board Secretary, or a member of the corporate governance team, will support the Committee Chair in supporting their duties and responsibilities and in management of the Committee's business. They will draw the Chair's and Committee's attention to best practice, national guidance and other relevant documents as appropriate. They will manage the Committee's business planner and share this at each meeting of the Committee.

## **9. COMMITTEE OPERATION AND ADMINISTRATION**

- 9.1 The Committee will be supported by an Executive Assistant. They will work closely with the Board Secretary with the overarching aim of ensuring that the Committee receives relevant and timely information and that key documents such as the Committee's business planner and action log are effectively maintained.

## **10. FREQUENCY**

- 10.1 A minimum of fourteen days' notice for calling a meeting shall be given unless the meeting is being called due to urgent circumstances as per section 7.1 above.

## **11. AUTHORITY**

- 11.1 The Committee is authorised by the CCG Governing Body 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 co-operate with any requests made by the Committee. The Committee is authorised by the Governing Body to obtain external legal or other independent professional advice and to secure the attendance

of external individuals/bodies with relevant experience and expertise if it considers this necessary.

## **12. REPORTING**

- 12.1 The Committee will report to the full Governing Body via a committee highlight report. The minutes of the Committee meeting shall also be submitted to the Governing Body.
- 12.2 As part of the highlight report, provide assurances on the CCG financial position both in year to date and forecast for the financial year.
- 12.3 When the LTFM and financial plan are shared and discussed with the committee, an update will be provided to Governing Body. This will provide assurances regarding the plans and status of delivery against these.

## **13. CONDUCT OF THE COMMITTEE**

- 13.1 The Committee shall conduct its business in accordance with any national guidance. The seven Nolan principles of public life shall underpin the Committee and its members.
- 13.2 Annually the Committee shall review its own performance, membership and terms of reference. Any resulting changes to the terms of reference or membership will be reviewed and endorsed by the CCG Governing Body.

## **14. REVIEW OF TERMS OF REFERENCE**

- 14.1 The CCG's Governing Body will review and endorse the Committee's terms of reference annually.



**Appendix 1: Scheme of Reservation and Delegation Extract**

Decision/Duties	Reserved to the Membership	Reserved or delegated to Governing Body	Accountable Officer	Chief Finance Officer	Other (Stated)
<b>Financial Planning and Management</b>					
Agreement of the approach to identifying the further QIPP schemes necessary to resolve any financial gaps on a recurrent basis					Financial Sustainability Committee
Approve the necessary reports and information to be taken to the Governing body to provide assurance on the sufficiency of financial recovery actions, progress on delivery, risk and mitigations together with recommendations for additional actions required.					Financial Sustainability Committee
<b>Strategy and Planning</b>					
Approve financial strategies					Financial Sustainability Committee