

# NHS West Yorkshire Integrated Care Board

## Finance, Investment and Performance Committee

### Terms of Reference

#### **Version control**

Version:	5.0
Approved by:	ICB Board
Date Approved:	25 June 2024
Responsible Officer:	Director of Finance
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## Change history

Version number	Changes applied	By	Date
1.0		Approved by Board	01.07.22
2.0		Approved by Board	15.11.22
2.1	Scheduled annual review	Laura Ellis	18.04.23
2.2	Discussed at Committee	Laura Ellis	25.04.23
3.0		Approved by Board	16.05.23
3.1	Changes to reflect amended committee portfolios and removal of digital and workforce (moved to Transformation Ctte)	Laura Ellis	26.10.23
3.2	Changes to membership/attendees	Laura Ellis	07.11.23
4.0		Approved by Board (under urgent decision process)	07.11.23
4.1	Scheduled annual review	Stacey Fleming	16.05.2024
5.0	Annual review following end of year effectiveness self-assessment	Approved by Board	25.06.2024

## **1. Introduction and Context.**

- 1.1 The Finance, Investment and Performance Committee (the Committee) is established by the NHS West Yorkshire Integrated Care Board (ICB) as a committee of the Board in accordance with its Constitution, Standing Orders and Scheme of Reservation and Delegation.
- 1.2 These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the ICB Board. The Committee has no executive powers, other than those specifically delegated to it under the Scheme of Reservation and Delegation and specified in these terms of reference.
- 1.3 The ICB is part of the West Yorkshire Integrated Care System (ICS), and has four core purposes:
- improve outcomes in population health and healthcare;
  - tackle inequalities in outcomes, experience and access;
  - enhance productivity and value for money; and
  - help the NHS to support broader social and economic development.
- 1.4 The ICS has identified a set of guiding principles that shape everything we do:
- We will be ambitious for the people we serve and the staff we employ.
  - The West Yorkshire partnership belongs to its citizens and to commissioners and providers, councils and NHS. We will build constructive relationships with communities, groups and organisations to tackle the wide range of issues which have an impact on health inequalities and people's health and wellbeing.
  - We will do the work once – duplication of systems, processes and work should be avoided as wasteful and potential source of conflict.
  - We will undertake shared analysis of problems and issues as the basis of taking action.
  - We will apply subsidiarity principles in all that we do – with work taking place at the appropriate level and as near to local as possible.
- 1.5 The ICS has committed to behave consistently as leaders and colleagues in ways which model and promote our shared values:
- We are leaders of our organisation, our place and of West Yorkshire.
  - We support each other and work collaboratively.
  - We act with honesty and integrity, and trust each other to do the same.
  - We challenge constructively when we need to.
  - We assume good intentions; and
  - We will implement our shared priorities and decisions, holding each other mutually accountable for delivery.

## **2. Purpose, role and responsibilities**

- 2.1 The Committee will support the ICB in delivering its statutory functions and strategic objectives by providing oversight and assurance on the:
- Development and delivery of a viable and sustainable system financial plan;
  - Scrutiny of major service change proposals and investments;

- Performance of the West Yorkshire Integrated Care System (ICS) in relation to operational plan delivery, NHS System Oversight Framework requirements and local standards, targets and priorities; and
- Management of risks affecting plan delivery.

2.2 The Committee will be supported by the West Yorkshire ICS Finance Forum which will drive financial collaboration and collective decision making across Health and Care in the ICS.

## **Responsibilities**

### 2.3 ***Strategic Financial Framework***

- to recommend for approval the strategic financial framework of the ICB and the ICS, and monitor performance against it.
- to recommend for approval the System Collaboration and Financial Management Agreement (or similar document/arrangement as may be required by NHS England) to both the ICB Board and NHS provider organisations.
- to ensure health and social inequalities are taken into account in financial decision-making.

### 2.4 ***Resource Allocation (Revenue)***

- to develop an approach to distribute ICB resources to drive agreed change in line with the ICB strategy.
- to make recommendations to the ICB Board on resources to be delegated to Place and on resources to be retained for Core ICB functions and other budgets managed at a West Yorkshire-wide basis.
- to make recommendations to the ICB Board on the deployment of system wide transformation funding.
- to make recommendations to the ICB Board on resource allocations for Provider Collaborative arrangements in relation to specialised commissioning responsibilities delegated to the ICB.
- to work with ICS partners to identify and allocate resources where appropriate to address finance and performance related issues that may arise within the context of the approved ICB and ICS financial 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 its population.

### 2.5 ***Financial Planning***

- to consider Place plans and the views of the West Yorkshire ICS Finance Forum in making recommendations on the ICB and ICS financial plan to the ICB Board.
- to recommend the ICB non-programme budgets (running costs) to the ICB Board.
- to develop a medium and long-term ICB and ICS financial plan which demonstrates ongoing value and sustainability.
- to consider business cases for major investments / disinvestments for material service change or efficiency schemes and make recommendations to the ICB Board.

## 2.6 **Financial Performance**

- to oversee the management of ICB financial targets and ICS financial targets.
- to monitor and report ICB and ICS financial performance to the ICB Board, highlighting areas of concern.
- to agree and monitor performance against any actions required to address financial performance issues.
- to maintain oversight of the underlying ICB run rate and advise on actions to improve.

## 2.7 **System Efficiencies**

- to ensure ICB financial resources are used in an efficient way to deliver the organisational and system objectives.
- to drive a system wide productivity and efficiency strategy and to ensure system efficiencies are identified and monitored across the ICS, particularly where opportunities for ICS partners working together across organisations can be leveraged.

## 2.8 **Capital**

- to consider proposals from the West Yorkshire ICS Capital & Estates Strategy Board regarding the prioritisation of strategic capital developments and to make recommendations on the application of strategic capital funding to the ICB Board.
- to consider proposals from the West Yorkshire ICS Finance Forum regarding the prioritisation of operational capital requirements and to make recommendations on the application of operational capital funding to the ICB Board.
- to gain assurance that the capital programme is aligned to the system financial plan.
- to monitor and report system capital programme performance to the ICB Board, highlighting areas of concern.

## 2.9 **Performance**

- To review performance against the delivery of the ICB plan and key performance metrics as set out in the NHS System Oversight Framework for the ICB and ICS.
- To take an overview of performance and transformation at whole system, place and organisation levels in relation to ICS objectives and priorities.
- To develop and maintain connections with other ICB forums which have a role in performance development and improvement, including the ICB Quality Committee.
- To oversee a framework for mutual accountability and peer review and support for the partnership.
- To approve recommendations for the deployment of improvement support across the ICS.

## 2.10 **Risk**

- Review and monitor those risks on the Board Assurance Framework and Corporate Risk Register which relate to finance and performance.
- Ensure that the ICB is kept informed of significant risks and mitigation plans, in a timely manner.

## 2.11 **Other Duties**

- Review and recommend the ICB's Standing Financial Instructions to the ICB Board.
- Review and approve any financial policies, procedures and guidelines within the remit of the Committee.

## 3. **Membership and Attendance**

### 3.1 The membership will comprise:

#### **Membership**

- **Chair** - Non-Executive Member of the ICB
- **Vice-Chair** - Non-Executive Member of the ICB
- 5 x Place Accountable Officer or Chief Operating Officer (each Place to nominate)
- ICB Director of Finance
- ICB Director of Planning and Performance
- ICB Medical Director
- ICB Director of Nursing
- Healthwatch Representative

#### **Attendees**

### 3.2 Attendees will routinely include:

- ICB Chief Executive
- ICB Chair of Audit Committee
- ICB Deputy Director of Finance
- ICB Deputy Director for Planning and Performance 5 x Director of Operational Finance
- Director of Strategic Finance
- Director of Corporate Affairs

3.3 Partner representatives (sector / collaborative) may be invited to attend as required.

3.4 A representative of the Race Equality Network will be invited to attend.

3.5 ICB officers may request or be requested to attend the meeting when matters concerning their responsibilities are to be discussed or they are presenting a paper.

3.6 Any member of the ICB Board can be in attendance subject to agreement with the Chair.

#### **4. Arrangements for the conduct of business**

##### **Chairing meetings**

The meetings will be run by the Chair. In the event of the Chair of the Committee being unable to attend all or part of the meeting, the Vice-Chair shall chair the meeting.

##### **Quoracy**

4.1 For meetings to be quorate, a minimum of 50% of members is required, including the Chair or Vice-Chair, the ICB Director of Finance (or nominated representative) and a representative of each Place; this may include the Place Accountable Officer/Chief Operating Officer, their nominated representative or the relevant Place Director of Finance.

4.2 For the sake of clarity:

a) No person can act in more than one capacity when determining the quorum.

b) An individual who has been disqualified from participating in a discussion on any matter and/or from voting on any motion by reason of a declaration of a conflict of interest, shall no longer count towards the quorum.

4.3 Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Chair. Participation by any of these means shall be deemed to constitute presence in person at the meeting. Members are normally expected to attend at least 75% of meetings during the year.

4.4 With the permission of the Chair, members of the Committee may nominate a deputy to attend a meeting that they are unable to attend. The deputy may

speak and vote on their behalf. The decision of the Chair regarding authorisation of nominated deputies is final.

### **Voting**

- 4.5 In line with the ICB's Standing Orders, it is expected that decisions will be reached by consensus. Should this not be possible, each voting member of the Committee will have one vote, the process for which is set out below:
- a. All members of the Committee (or nominated deputies) who are present at the meeting will be eligible to cast one vote each. (For the sake of clarity, members of the Committee are set out at paragraph 3.1; attendees and observers do not have voting rights.)
  - b. Absent members may not vote by proxy. Absence is defined as not being present at the time of the vote but this does not preclude anyone attending by teleconference or other virtual mechanism from exercising their right to vote if eligible to do so.
  - c. A resolution will be passed if more votes are cast for the resolution than against it.
  - d. If an equal number of votes are cast for and against a resolution, then the Chair (or in their absence, the person presiding over the meeting) will have a second and casting vote.
  - e. Should a vote be taken, the outcome of the vote, and any dissenting views, must be recorded in the minutes of the meeting.

### **Frequency of meetings**

- 4.6 The Committee will meet on a quarterly basis. The Chair may call an additional meeting at any time by giving not less than 14 calendar days' notice in writing to members of the Committee.
- 4.7 One third of the members of the Committee may request the Chair to convene a meeting by notice in writing, specifying the matters which they wish to be considered at the meeting. If the Chair refuses, or fails, to call a meeting within seven calendar days of such a request being presented, the Committee members signing the requisition may call a meeting by giving not less than 14 calendar days' notice in writing to all members of the Committee specifying the matters to be considered at the meeting.
- 4.8 In emergency situations the Chair may call a meeting with two days' notice by setting out the reason for the urgency and the decision to be taken.

### **Urgent decisions**

- 4.9 In the case of urgent decisions and extraordinary circumstances, every attempt will be made for the Committee to meet virtually. Where this is not possible the following will apply:



- a) The powers which are delegated to the Committee, may for an urgent decision be exercised by the Chair of the Committee and the lead Executive Director.
- b) The exercise of such powers shall be reported to the next formal meeting of the Committee for formal ratification, where the Chair will explain the reason for the action taken, and the ICB Audit Committee for oversight.

### **Declarations of interest**

4.10 If any member has an interest, financial or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and act in accordance with the ICB's Conflicts of Interests Policy. Subject to any previously agreed arrangements for managing a conflict of interest, the Chair of the meeting will determine how a conflict of interest should be managed. The Chair of the meeting may require the individual to withdraw from the meeting or part of it. The individual must comply with these arrangements, which must be recorded in the minutes of the meeting.

### **Support to the Committee**

- 4.11 The Committee's lead directors are the ICB Director of Finance and Director of Planning and Performance Administrative support will be provided to the Committee by officers of the ICB. This will include:
- Agreement of the agenda with the Chair in consultation with the Lead Directors, taking minutes of the meetings, keeping an accurate record of attendance, key points of the discussion, matters arising and issues to be carried forward.
  - The maintenance of an on-going list of actions, specifying members responsible, due dates and keeping track of these actions.
  - The circulation of agendas and supporting papers to members one week before the meeting.
  - The drafting of minutes for quality checking by the relevant lead officer within ten working days of the meeting, before sending to the relevant Lead Director and Chair for review within a further five working days. The draft minutes will be distributed to all members and attendees of the meeting, following review by the Chair, within one calendar month of the meeting.
  - The updating and maintenance of an annual work plan on a quarterly basis.

## **5. Authority**

5.1 The Committee is authorised to investigate any activity within its terms of reference. It is authorised to seek any information it requires within its remit, from any employee of the ICB and they are directed to co-operate with any such request made by the Committee.

- 5.2 The Committee is authorised to commission any reports or surveys it deems necessary to help it fulfil its obligations.
- 5.3 The Committee is authorised to obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary. In doing, so, the Committee must follow procedures put in place by the ICB for obtaining legal or professional advice.
- 5.4 The Committee is authorised to create sub-committees or working groups as are necessary to fulfil its responsibilities within its terms of reference. The Committee may not delegate executive powers delegated to it within these terms of reference (unless expressly authorised by the ICB Board) and remains accountable for the work of any such group.

## **6. Reporting**

- 6.1 The Committee shall submit its minutes to each formal ICB Board meeting.
- 6.2 The Chair shall draw to the attention of the ICB Board any significant issues or risks relevant to the ICB through the AAA report.
- 6.3 The Committee's minutes will be published on the ICB website once ratified.
- 6.4 The Committee shall submit an annual report to the ICB Audit Committee and the ICB Board.
- 6.5 The Committee will receive for information the minutes of other meetings which are captured in the Committee work plan e.g. sub-committees.

## **7. Conduct of the committee**

- 7.1 All members will have due regard to and operate within the Constitution of the ICB, standing orders, Standing Financial Instructions and other financial procedures.
- 7.2 Members must demonstrably consider the equality and diversity implications of decisions they make and consider whether any new resource allocation achieves positive change around inclusion, equality and diversity.
- 7.3 Members of the Committee will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.
- 7.4 The Committee shall agree an Annual Work Plan with the ICB Board.
- 7.5 The Committee shall undertake an annual self-assessment of its own performance against the annual plan, membership and terms of reference. This self-assessment shall form the basis of the annual report from the Committee.
- 7.6 Any resulting changes to the terms of reference shall be submitted for approval by the ICB Board.

