

Finance and Performance Committee Terms of Reference

1. Constitution of the Committee

The Board of Directors hereby resolves to establish a Committee of the Board to be known as the Finance and Performance Committee. The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

2. Terms of Reference

2.1 Purpose and objectives

The Finance and Performance Committee's purpose is to provide assurance to the Board on the Trust's financial and operational performance, and in particular:

- the effectiveness of the Trust's business planning process and principles for internal budget setting
- the effectiveness of the Trust's financial management systems
- the effectiveness and robustness of financial planning
- the effectiveness and robustness of capital investment management
- the robustness of the Trust's cash investment strategy
- the extent to which the Trust is operating in line with its annual business plan objectives in terms of financial and operational performance
- the extent to which forecast performance matches operational targets and improvement trajectories, ensuring that issues of non-delivery are escalated to the Board
- the identification, forecast and delivery against Quality, Innovation, Productivity and Prevention (QIPP) and other cost improvement schemes
- the Trust's relationship with its partners within the BaNES, Swindon and Wiltshire Integrated Care System (BSW), and the changing approaches to commissioning, contracting, joint working and the allocation of resources.
- assessment of the impact of the COVID-19 pandemic, and the extent to which the Trust's elective care delivery is in line with agreed targets.

The Committee will incorporate the principles of Improving Together into their work, and those presenting to it will be expected to make use of relevant tools from the Bath Improvement System in doing so.

3. Roles and Responsibilities

3.1 Reporting

- To oversee the ongoing development of the Integrated Performance Report.
- Monitor the effectiveness of the Trust's financial and operational performance reporting systems, ensuring that the Board is fully sighted on areas of compliance and non-compliance.
- To review the Trust's annual financial plan, monitoring and challenging any changes to forecast outcomes.
- To review in detail any major performance variations in order to obtain assurance on behalf of the Board as to the effectiveness of corrective actions and associated governance arrangements.
- To consider changes to Trust reporting requirements in response to any new regulatory arrangements.

3.2 Financial performance management

- To monitor the Trust's performance against its financial control total.
- To undertake high level, exception based monitoring of the delivery of financial performance to ensure that the Trust is operating in accordance with its annual business plan objectives and where it is not, assure itself that appropriate action is being taken by the Executive Team.
- To assess the factors, across BSW, that contribute to the risk of financial deficits and monitor the effectiveness of action plans to address these.
- To oversee the creation and achievement of divisional and corporate financial recovery plans.

3.3 Operational performance management

- Assessment of the Trust's delivery against NHS constitutional standards.
- Review forecast performance against operational targets and improvement trajectories, escalating issues of non-delivery to the Board, and monitoring against achievement of any incentive funding arrangements.
- To particularly oversee improvement in key areas of operational performance, including in elective, diagnostic and cancer care, emergency care, and working with community and local authority partners to reduce the number of length of stay for patients who are medically fit to be discharged.
- To assess Trust performance against established benchmarking indices and that of neighbouring and similar organisations.

- To maintain scrutiny of operational performance and the extent to which this continues to be affected by the COVID-19 pandemic, and to review the impact that this has on other aspects of care across the Trust.

3.4 Income management

- Review the Trust's evolving relationship with its key commissioners and BSW partner organisations, taking account of new and emerging funding models.
- Review arrangements for non-activity related income streams, particularly CQUIN, to understand alignment with Trust clinical priorities and levels of income risk.

3.5 Annual Trust planning cycle

- To consider the Trust's medium and long term financial strategy, in relation to both revenue and capital.
- To oversee the Trust's business planning process and agree the principles and approach to internal budget setting and the development of divisional business plans linked to the Trust's True North and Breakthrough Objectives.
- Review the annual QIPP and Cost Improvement Programmes to provide assurance that delivery risk is minimised and productivity and efficiency opportunities maximised, in particular that savings programmes and forecasts are realistic and deliverable.

3.6 BSW

- To contribute to the development of a system-wide approach to resource allocation and management across BSW, and to support efforts aimed at ensuring that the ICS achieves and maintains break even.

3.7 Other matters

- To review and, where delegated from the Board of Directors, approve Trust wide and BSW wide projects.
- Review the Trust's procurement strategy, systems and arrangements with a view to ensuring that best value is derived. To monitor progress against NHS standards for procurement using, for example, the Model Hospital.
- To receive updates on any changes to relevant areas of national policy or guidance, and how these will be implemented within the Trust.

4. Membership

The Finance and Performance Committee is comprised of at least three Non-Executive Directors appointed by the Board. One of these Non-Executive Directors will be appointed as Chair of the Committee.

The following officers will be required to attend meetings of the Finance and Performance Committee on a standing invitation by the Chair:

- Chief Executive
- Deputy Chief Executive and Director of Finance
- Deputy Director of Finance
- Chief Operating Officer
- Deputy Chief Operating Officer
- Head of Corporate Governance.

Where executive directors are in attendance at a Committee meeting, attendance of their deputies is optional, other than where such deputies are presenting an agenda item. Other members of staff, including members of the divisional leadership and the finance teams will attend by invitation.

5. Quorum and attendance

Business will only be conducted if the meeting is quorate. The Committee will be quorate with four voting members present, two of whom must be Non-Executive Directors.

Members will be required to attend a minimum of 8 meetings per year.

6. Reporting

The Chair of the Finance and Performance Committee will provide an upward report on key items for escalation to the Board which will be issued at the next Public Board meeting.

The Chair of the Finance and Performance Committee shall make whatever recommendations to the Board deemed by the Committee to be appropriate (on any area within the Committee's remit where disclosure, action or improvement are needed).

The Chair of the Finance and Performance Committee shall liaise with the Chairs of other Board Committees where necessary to ensure that cross-committee issues

receive adequate oversight (by, for example, arranging to attend other Committee meetings).

7. Frequency

The Committee will meet at least ten times a year. Additional meetings may be arranged as required.

8. Other Matters

The Head of Corporate Governance will be responsible for providing administrative and governance support to the Committee, including:

- Agreement of the agenda with the Chair, the Director of Finance and the Chief Operating Officer;
- Collation of the papers;
- Taking the minutes and keeping a record of the matters arising and issues to be carried forward, and;
- Advising the Committee on its role and operation.

The Committee will undertake an annual review of its performance against its Terms of Reference and work plan in order to evaluate the achievement of its objectives. The outcome of this review will be reported to the Board.

These Terms of Reference will be reviewed at least every year as part of the process of monitoring the Committee's effectiveness.

Terms of Reference approved by the Finance and Performance Committee on 23rd October 2023

Ratified by the Board of Directors on 1st November 2023