

## **BRIGHTON AND SUSSEX UNIVERSITY HOSPITALS NHS TRUST**

### **FINANCE AND INVESTMENTS COMMITTEE**

#### **TERMS OF REFERENCE**

##### **1.00 PURPOSE**

- 1.01 The purpose of the Finance and Investments Committee is to support the Board to ensure that all appropriate action is taken to achieve the financial objectives of the Trust through regular review of financial strategies and performance, investments, and capital and estates plans and performance.
- 1.02 The Committee shall also provide information to the Audit Committee and Quality and Risk Committee as appropriate to assist those Committees in ensuring good structures, processes, and outcomes across all areas of governance.

##### **2.00 MEMBERSHIP AND ATTENDANCE AT MEETINGS**

- 2.01 The membership of the Committee shall be:
- Chair: a nominated non-executive Director
  - Two further nominated non-executive Directors
  - Chief Executive
  - Executive Director of Finance (the Lead Officer for the Committee)
  - Executive Medical Director
  - Executive Director of Nursing
  - Managing Director (BSUH)
  - Executive Director of Workforce and Organisational Development
  - Executive Director of Strategy and Delivery
- 2.02 The Trust Chair shall propose which non-executive Directors will be most suitable for nomination as Chair and members of the Committee. The Trust Board shall approve the appointment of the Committee Chair and members, based on the Chair's recommendations. At least one of the Committee members should have recent and relevant financial experience.
- 2.03 Those normally in attendance at the Committee meetings shall be:

(as appropriate)

- Deputy Director of Finance
- Assistant Director of Finance
- Programme Director, Programme Management Office

Any member of the Board of Directors shall have the right to be in attendance at any meeting of the Committee by prior agreement with the Chair.

- 2.04 The executive members of the Committee may exceptionally send a deputy to the meeting but the deputy will not have voting rights at the meeting. Those who are in attendance may exceptionally send a deputy to the meeting.
- 2.05 Other Trust managers and clinicians may be invited to attend for particular items on the Agenda that relate to areas of risk or operation for which they are responsible.
- 2.06 The Company Secretary or their nominee shall act as Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chair and Committee members.

### **3.00 ROLE AND RESPONSIBILITIES**

#### **AUTHORITY**

- 3.01 The Committee shall have the delegated authority to act on behalf of the Board of Directors in accordance with the Standing Orders, Standing Financial Instructions, and Scheme of Reservation and Delegation. The limit of such delegated authority is restricted to the areas outlined in the Duties of the Committee and subject to the rules on reporting, both as defined below.
- 3.02 The Committee shall have delegated authority to award Contracts and approve Business Cases up to the value delegated to it by the Trust Board.
- 3.03 The Committee is empowered to investigate any activity within its Terms of Reference, and to seek any information it requires from staff, who are required to co-operate with the Committee in the conduct of its enquiries.
- 3.04 The Committee is authorised by the Board of Directors to obtain independent legal and professional advice and to secure the attendance of external personnel with relevant experience and expertise, should it consider this necessary. All such advice should be arranged in consultation with the Company Secretary.

## **DUTIES**

### **Financial policy, management and reporting**

- 3.04 To ensure the Trust develops and maintains an appropriate financial strategy in relation to both revenue and capital.
- 3.05 To consider the Trust's annual financial plans and annual budgetary policy and proposals before submission to the Trust Board.
- 3.06 To commission and consider risk-based, in-depth reviews of financial performance (in particular service areas/Divisions or Trust-wide), including the relationship between underlying activity, workforce performance and utilisation, income and expenditure, and budgets.
- 3.07 To monitor all efficiency programmes, including to obtain assurance that no efficiency programme has an unforeseen detrimental impact on quality of care (enacted through the Quality and Risk Committee); and to make recommendations as necessary to the Board about action required in-year.
- 3.08 To monitor all Workforce Transformation programmes, including to obtain assurance that no programme has an unforeseen detrimental impact on quality of care (enacted through the Quality and Risk Committee); and to make recommendations as necessary to the Board about action required in-year.
- 3.09 To receive assurances on the robustness of governance processes overseen by the Programme Management Office relating to Efficiency and Transformation programmes.
- 3.10 To consider proposals for major capital expenditure business cases and estates developments and their funding sources and to make recommendations to the Board as appropriate.
- 3.11 To commission any necessary reviews of strategic finance issues affecting the Trust, and to review the results before submission to the Board.
- 3.11 To review, as necessary, the efficacy of the financial and operational control processes that support the Trust's financial statements and the disposition of its funds and assets, and refer any concerns to the Audit Committee.
- 3.12 To monitor and receive assurances on the robustness of the Trust's main income sources, the contractual safeguards, and efficiency programmes, and to make reports to the Audit Committee and the Board as appropriate.

- 3.13 To receive and scrutinise, as appropriate, reports on 'commercial' activities of the Trust and to make recommendations to the Board as appropriate.
- 3.14 To receive reports on changes in statutory and regulatory requirements that fall under the remit of the duties of the Committee.

### **Cash management and reporting**

- 3.15 To approve the Trust's cash management policy.
- 3.16 To receive regular reports on the Trust's cash position.

### **Procurement strategy and policy**

- 3.17 To review the Trust's procurement strategy and policies on a regular basis and to make recommendations to the Board.
- 3.18 To consider any significant variations to the Trust's existing procurement methodology as set out in the Trust's Standing Orders and Standing Financial Instructions.

### **Estates strategy**

- 3.19 To review the estates strategy and recommend it to the Board, and to monitor progress against and risks associated with the strategy, and monitor other estates-related improvement plans.
- 3.20 Where appropriate, to make recommendations to the Board on necessary actions or approvals relating to the matters in this section.

### **Information management and technology**

- 3.21 To review the IM&T strategy and recommend it to the Board, and to monitor progress against and risks associated with the strategy, and monitor other IM&T-related improvement plans
- 3.22 Where appropriate, to make recommendations to the Board on necessary actions or approvals relating to the matters in this section.

### **Organisational controls**

- 3.23 To monitor the adequacy and effectiveness of the Trust's financial performance reporting and make recommendations to the Board.
- 3.24 To make arrangements to ensure that all Board members maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust.

- 3.25 To examine any other matter referred to the Committee by the Trust Board.
- 3.26 To review draft Trust policies pertaining to the Committee's function prior to their being considered by the Board, including consideration of the relevant sections of the Trust's Standing Orders, Financial Instructions and Scheme of Reservation and Delegation.

## **REPORTING AND RELATIONSHIPS**

- 3.27 The Committee shall be accountable to the Board of Directors of the Trust.
- 3.28 The Committee shall make recommendations to the Board of Directors concerning any issues that require decision or resolution by the Board.
- 3.29 The Committee shall refer to the Audit Committee any matters requiring review or decision-making in that forum.
- 3.30 The Committee shall review its own performance, constitution and terms of reference at least every two years to ensure it is operating at maximum effectiveness. Any proposed changes to the terms of reference should be agreed by the Trust Board.

## **4.00 CONDUCT OF BUSINESS**

- 4.01 The Committee shall conduct its business in accordance with the Standing Orders of the Trust.
- 4.02 The Committee shall be deemed quorate if there are at least two non-executive Directors and two Executive Directors present, one of whom should be either the Chief Executive or Executive Director of Finance. A quorate meeting shall be competent to exercise all or any of the authorities, powers and duties vested in or exercised by the Committee.
- 4.03 The Committee shall meet not less than six times in each financial year.
- 4.04 At the discretion of the Chair of the Committee business may exceptionally be transacted through a teleconference provided all parties are able to hear all other parties and where an agenda has been issued in advance, or through the signing by every member of a written resolution sent in advance to members and recorded in the minutes of the next formal meeting.
- 4.05 Agendas and briefing papers should be prepared and circulated in sufficient time for Committee Members to give them due consideration.
- 4.06 Minutes of Committee meetings should be formally recorded and distributed to Committee Members within 10 working days of the meetings. Subject to the approval of the Chair, the Minutes will be submitted to the Trust Board at its next meeting and may be presented by the

Committee Chair. The Committee Chair will draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.

#### **5.00 STATUS OF THESE TERMS OF REFERENCE**

**Approved by the Board on 27 April 2017**

**The next review of these terms of reference is due in March 2018.**