

# Finance and Performance Committee

## Terms of Reference

### Summary

The Finance and Performance Committee is a non-mandatory committee to the Governing Body and is commissioner focussed. The key functions are threefold.

Firstly, to independently contribute to the Governing Body's overall process for ensuring that the effective scrutiny and control of in year financial performance, in terms of revenue, capital and cash, is maintained.

Secondly, to contribute to the Governing Body's overall process for ensuring that contracts are awarded, monitored and performance managed appropriately which includes a robust process to ensure the delivery of QIPP schemes.

Thirdly to provide executive oversight and monitoring of the CCG's performance management framework in-order to ensure remedial action plans are developed and put in place to address any areas of unsatisfactory performance, and to monitor and receive progress on the implementation and effectiveness of these plans.

The committee will provide challenge and support to ensure delivery and sustained performance in these areas to the Governing Body.

The committee is not responsible for making future investment decisions.

### 1 Membership

Core Members	Deputy
Chair – Clinical Executive Finance & IT	
Lay Member (Vice Chair)	
Chief Finance Officer	
Director of Commissioning, Transformation & Performance	
Head of Performance & Delivery	
Head of Corporate Governance	
QIPP/PMO Manager	
GP representative of Clinical Commissioning Group x 2	

Core members can nominate a deputy to attend on their behalf. The member is responsible for ensuring that the deputy is fully briefed and accountable for decisions made.

In Attendance
Deputy Chief Finance Officer
Head of Contracting & Procurement
Other officers will be invited as required for specific agenda items

## **2 Quorum**

Four comprised of the Chair and three members.

The attendance of core members will be monitored throughout the year. There is an expectation that members will attend at least 75% of the meetings. Poor attendance will be addressed by the Chair.

## **3 Summary Responsibilities**

- 3.1 To ensure that a robust financial recovery plan is produced to enable financial sustainability to include the monitoring of key milestones.
- 3.2 Ensure that there is a robust and timely performance management framework in place within the CCG to enable the Governing Body to be fully informed about the achievement of NHS constitutional standards and other key national, regional and local targets.
- 3.3 Provide the review and challenge to the CCG's monitoring and reporting of key national regional and local targets relating to both financial and performance targets.
- 3.4 Ensure that contractual mechanisms are applied in support of the performance management of key targets.
- 3.5 Ensure action plans are developed and put in place to address any areas of unsatisfactory performance.
- 3.6 Ensure that areas for potential risk are included in the CCG's risk register and/or Assurance Framework and ensure action is taken to mitigate or eliminate such risk.
- 3.7 Make any necessary recommendations to the CCG Board and Accountable Officer on any action(s) required.

## **4 Frequency of Meetings**

The Committee will meet a minimum of 10 times per year.

## **5 Reporting**

The Chair will provide a regular assurance report to the Governing Body. The Chair will provide a regular assurance report to the Audit Committee in respect of its assurance framework activities when requested.

## **6 Distribution of papers**

All agenda items are to be submitted at least 10 working days prior to the meeting and papers will be circulated at least 5 working days prior to the meeting.

## **7 Functions**

Duty, Act, Strategy or Policy that the committee is responsible for compliance or monitoring	Executive Lead	Committee
The committee will exercise its functions effectively, efficiently and economically via the Financial Plan, SFI, SO, SoRD, Performance Framework and Operational QIPP Plans.	Chief Finance Officer	Monitoring progress and assurance

### **7.1 Scrutiny and control of in year financial performance**

The Committee will receive and scrutinise reports in respect of the YTD and forecast out turn financial position against plan in terms of revenue, capital and cash.

Specifically, the Committee will consider performance and seek corrective action as necessary in the following areas:

- i Revenue by commissioning segment, with particular emphasis on significant or high-risk variances to plan.
- ii To ensure that there is a robust financial recovery plan in place supported by an effective performance management framework.

The Committee will seek to gain assurance that statutory financial duties or control totals will be met and agree corrective measures if required.

### **7.2 Contract Management**

The Committee will provide scrutiny and control in respect of the award, monitoring and performance managing of contracts held by Walsall CCG, as well as the underpinning policies and guidance.

Specifically, the Committee will:

- i Ensure that procurements are appropriately project managed with risks identified and mitigating actions planned.
- ii Recommend approval of contract awards within the committee's delegated authority.
- iii Monitor contractual performance and receive regular performance information in respect of material individual providers.
- iv Agree and monitor performance rectification action plans if required.
- v Scrutinise contracting and procurement policies and processes and provide recommendations to the Governing Body or approve if within the committee's delegated authority.

### **7.3 Performance Management**

- i Ensure that there is a robust and timely performance management framework in place within the CCG to enable the Governing Body to be fully informed about the achievement of NHS constitutional standards and other key national, regional and local targets.
- ii Provide the review and challenge to the CCGs monitoring and reporting of key national, regional and local targets including those covered by partner agencies.
- iii Ensure the CCG optimises its external performance assessments such as the CCG Improvement & Assessment Framework including any recovery action plans where necessary.
- iv Ensure appropriate contractual mechanisms are applied in support of the performance management of key targets.
- v To monitor the delivery of key performance and outcome objectives and targets set out in the CCG's Operational and Strategic Plan including recovery action plans where necessary.
- vi To monitor the CCG's progress towards national and local targets which impact on the CCG's quality premium payment.
- vii Ensuring action plans are developed and put in place to address any areas of unsatisfactory performance, and monitoring progress on the implementation and effectiveness of these plans.
- vii Ensure that areas for potential risk are included in the CCG's risk register and/or Assurance Framework and ensure action is taken to mitigate or eliminate such risk.
- ix Make any necessary recommendations to the CCG Board and Accountable Officer on any action(s) required in relation to performance matters.

### **7.4 QIPP**

The Committee is accountable for monitoring and reviewing the delivery of the System Plan and QIPP Targets. It will oversee progress across all of its component sub-programmes or projects.

Specifically the committee will:

- i Monitor progress against the high-level programme plan
- ii Agree/Quality assure key programme products – these are usually relatively process-focussed and concerned with programme level plans and communications
- iii Manage programme level risk and issues
- iv Manage dependencies between the programmes or projects committing (or sourcing from elsewhere) resources across the programme to enable the activities to be successfully achieved

## **8 Risk Management**

The Finance and Performance Committee has a responsibility to manage any risks identified that impacts on its role. The Finance and Performance Committee will keep a committee risk register to document the management of risk which will clarify the risk, the action, timeframe and ownership. All risks will be actively managed by the Finance and Performance Committee until the residual risk is deemed tolerable when it will either be closed or monitored.

The Chair is responsible for ensuring that the:

- i Register is reviewed to add, amend, close or transfer risks at each Committee meeting.
- ii Identified risks relevant to other committees are transferred to its Chair.
- lii Assurance report includes any unmitigated risks with a rating >6

## **9 Responsibilities of members**

As members each individual is required to bring their unique perspective informed by their expertise and experience and this will support decisions made by the group to ensure that:

- i The interests of the patients and the community remain at the heart of discussions and decisions
- ii The group acts in the best interests of the local population at all times
- iii Good governance remains central at all times

Members of the Committee are required to:

- i Read all relevant agenda and support documentation
- ii Comply with the consent agenda when it is used
- iii Engage with other colleagues to report from meetings and collate feedback for agenda items prior to the meeting.
- iv Notify Chair or Vice Chair if unavailable to attend.
- v Nominated representatives must be fully briefed and accountable for decisions made.
- vi Be accountable for ensuring actions assigned are completed and fully reported upon.
- vii All members and deputies are required to complete a declaration of interest form. Persons in attendance will be required to declare any interests at the beginning of the meeting by the Chair.
- viii To comply with the paperlite arrangements set out by the Committee.

**10 Conflicts of Interest<sup>1</sup>**

All member of the committee must complete a declaration of interest form to ensure that any conflicts of interest are appropriately managed. If any member becomes aware of a conflict of interest which has, is likely to have or could be perceived to have an adverse effect on any decision, this shall be declared and the Chair will determine whether the member concerned should withdraw from the meeting whilst the relevant discussion or decision related to the agenda item is in progress. All declarations of interest and its action shall be minuted.

**11 Review**

The terms of reference will be reviewed initially after 6 months and thereafter annually.

**12 Confidentiality**

Papers that are marked 'in confidence, not for publication or dissemination' shall remain confidential to the members of the Committee unless the Chair indicates otherwise. Members, representatives or any persons in attendance shall not reveal or disclose the contents of these papers without express permission of the Chair. This prohibition shall apply equally to the content of any discussion during the meeting which may take place on such papers.

**13 Data Protection Act 1998**

Committee members will give due regard to the responsibilities of Walsall CCG to comply with Data Protection legislation.

**14 Freedom of Information Act 2000**

All papers are subject to the Freedom of Information Act. All papers that are exempt from public release under the FOI Act must be clearly marked 'in confidence, not for publication'. These papers may not be copied or distributed outside of the committee membership without the express permission of the Chair. FOI exemption 41 (duty of confidence) applies.

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<sup>1</sup> All members are required to adhere to the Walsall CCG Management of Conflict of Interest Policy.