

# **NHS North Central London Clinical Commissioning Group Finance Committee Terms of Reference**

## **1. Introduction**

- 1.1 The Finance Committee ('Committee') is established in accordance with the Constitution of NHS North Central London Clinical Commissioning Group ('CCG'). It is a committee of the CCG's Governing Body.
- 1.2 These Terms of Reference set out the membership, remit, responsibilities and reporting arrangements of the Committee which is directly accountable to the Governing Body.

## **2. Purpose**

- 2.1 The purpose of the Committee is to provide the CCG's Governing Body with assurance, oversight and scrutiny of the following areas:
  - 2.1.1 Financial performance, budgets, investments and associated planning issues; and,
  - 2.1.2 Quality Innovation Productivity and Prevention ('QIPP').

## **3. Role**

- 3.1 The Committee will:
  - 3.1.1 Oversee development and implementation of the CCG Medium Term Financial Strategy ('MTFS'), NHS Long Term Plan finances and the CCG's financial recovery plans;
  - 3.1.2 Oversee the development and embedding of a culture within the CCG where QIPP, the measurement of the impact of initiatives, value for money and sustainability is a core part of the organisation's approach to commissioning;
  - 3.1.3 Consider draft revenue and capital budgets and make recommendations to the Governing Body;
  - 3.1.4 Receive and consider detailed monthly monitoring reports and year-end forecasts of performance against financial and performance targets. This include at both a pan CCG and borough level;
  - 3.1.5 Ensure plans for service improvement, cost effectiveness and quality are fully integrated into the CCG annual revenue and capital budgets;
  - 3.1.6 Consider and agree, where appropriate in-year changes to budgets in line with Standing Financial Instructions ('SFI') and budget approval policies;
  - 3.1.7 Provide oversight and scrutiny of financial risks;
  - 3.1.8 Maintain oversight of the finances for the annual contracting round;
  - 3.1.9 Review the CCG's SFIs and make recommendations to Governing Body;
  - 3.1.10 Review progress against key financial targets;

- 3.1.11 Consider any remedial action required and recommend appropriate financial improvement strategies to the CCG;
- 3.1.12 Review the CCG's investments for affordability and make decisions on whether to suspend, postpone, withdraw or decline investments where they are unaffordable, not delivering the return required and/or unsustainable;
- 3.1.13 Provide oversight and scrutiny of the CCG's QIPP programme;
- 3.1.14 Review the CCG's QIPP programme, monitor progress against implementation plans and ensure consistency of approach;
- 3.1.15 Make decisions on suspending, postponing, withdrawing or declining investments where the QIPP schemes or the QIPP element of an investment is unrealistic, under developed, not value for money and/or is unsustainable;
- 3.1.16 Oversee the design and development of mitigating actions for QIPP non-delivery and/or budget overspend where required such as development of an in-year recovery plan and emergency measures to ensure financial stability;
- 3.1.17 Hold individual directors and/or teams and/or QIPP project leads to account for delivery of QIPP; and,
- 3.1.18 Advise on best practice and policy in relation to financial management.

#### **4. Membership**

- 4.1 The Committee shall comprise of the following voting members:
  - 4.1.1 Three Governing Body elected Clinical Representatives;
  - 4.1.2 Governing Body Lay Member for Audit and Governance;
  - 4.1.3 Governing Body Lay Member with General Portfolio;
  - 4.1.4 Accountable Officer;
  - 4.1.5 Chief Financial Officer;
- 4.2 The roles referred to in the list of voting members above describe the substantive roles and any equivalent successor roles and not the individual title or titles.
- 4.3 The list of voting members is set out in Schedule 1. Schedule 1 does not form part of the Terms of Reference and may be amended without the need to formally amend these Terms of Reference.
- 4.4 Members may nominate a deputy to represent them in their absence and make decisions on their behalf.

#### **5. Attendance**

- 5.1 The following people shall attend Committee meetings as standing attendees:
  - 5.1.1 Executive Director of Strategic Commissioning;
  - 5.1.2 Executive Director of Strategy;
  - 5.1.3 Director of Financial Management;
  - 5.1.4 Director of System Financial Planning and Assurance;
  - 5.1.5 Director of Financial Strategy and Contracting.
- 5.2 Attendees at Committee meetings are non-voting.
- 5.3 The roles referred to in the list of voting members above describe the substantive roles and any equivalent successor roles and not the individual title or titles.

- 5.4 The list of standing attendees is contained in Schedule 1. Schedule 1 does not form part of the Terms of Reference and may be amended without the need to formally amend these Terms of Reference.
- 5.5 Attendees may nominate deputies to represent them in their absence.
- 5.6 The Committee may invite or allow additional people to attend meetings as attendees. Attendees may present at meetings and contribute to the relevant discussions but are not allowed to participate in any formal vote.
- 5.7 The Committee may invite or allow people to attend meetings as observers. Observers may not present at meetings, contribute to any discussion or participate in any formal vote.
- 5.8 The Committee may call additional experts to attend meetings on a case by case basis to inform discussion.

## **6. Chair**

- 6.1 The Committee Chair shall be a Governing Body Clinical Representative. The Chair may nominate a deputy to represent them in their absence.

## **7. Voting**

- 7.1 Each voting member of the Committee shall have one vote with resolutions passing by simple majority. In the event of a tied vote the Committee Chair shall have the casting vote.

## **8. Quorum**

- 8.1 The Committee will be considered quorate when at least 3 voting members are present. The three voting members must include:
  - 8.1.1 A Governing Body elected Clinical Representative;
  - 8.1.2 A Governing Body Lay Member; and
  - 8.1.3 An officer.
- 8.2 If any representative is conflicted on a particular item of business they will not count towards the quorum for that item of business. If this renders a meeting or part of a meeting inquorate a non-conflicted person may be temporarily appointed or co-opted onto the Committee to satisfy the quorum requirements.
- 8.3 If a meeting is not quorate the Chair may adjourn the meeting to permit the appointment or co-option of additional members if necessary.
- 8.4 If all the Governing Body Clinicians on the Committee are conflicted on an item of business the quorum requirements contained in section 8.1 above do not apply. In these circumstances the quorum requirements are as follows:
  - 8.4.1 A Governing Body Lay Member;
  - 8.4.2 An officer; and

8.4.3 Two Governing Body Lay Members.

## **9. Secretary**

9.1 The Secretariat support to the Committee shall be provided by the Corporate Services Directorate.

## **10. Frequency of Committee Meetings**

10.1 Committee meetings will be held monthly but the Committee may hold additional meetings as and when necessary. The Committee Chair may call additional meetings or cancel meetings as necessary.

## **11. Notice of Meetings**

11.1 Notice of a Committee meeting shall be sent to all Committee members seven days in advance of the meeting.

11.2 The notice of the meeting shall contain the date, time and location of the meeting.

## **12. Agendas and Circulation of Papers**

12.1 Before each Committee meeting an agenda setting out the business of the meeting will be sent to every Committee member no less than 4 days in advance of the meeting.

12.2 Before each Committee meeting the papers of the meeting will be sent to every Committee member no less than 4 days in advance of the meeting.

12.3 If a Committee member wishes to include an item on the agenda they must notify the Committee Chair via the Secretariat no later than 4 days prior to the meeting. The decision as to whether to include the agenda item is at the absolute discretion of the Committee Chair.

## **13. Minutes of Meetings**

13.1 The minutes of the proceedings of a meeting shall be prepared by the Secretariat and submitted for agreement at the following meeting.

## **14. Authority**

14.1 The Committee is accountable to the Governing Body and will operate as one of its committees. The Committee must act within the remit of these terms of reference and has no executive powers other than those specifically set out in these terms of reference.

## **15. Reporting Responsibilities**

15.1 The Committee will report the CCG's Governing Body on all matters within its duties and responsibilities.

15.2 The Committee will make recommendations to the CCG's Governing Body it considers appropriate on any area within its remit.

## **16. Delegated Authority**

16.1 The Committee may agree to delegate its authority to a Committee member or members to make decisions on the Committee's behalf outside of a Committee meeting at its absolute discretion on a case by case basis.

16.2 There are circumstances where time-critical decisions need to be made and it is not possible and/or reasonably practicable and/or a good use of resources to hold a physical meeting in sufficient time. In these circumstances decisions may be made virtually using the protocol for virtual decision making.

## **17. Sub-Committees**

17.1 The Committee may appoint sub-committees to advise the Committee and assist it in carrying out its duties. The Committee may not delegate any of its functions, powers or decision making authority to a sub-committee.

## **18. Conflicts of Interest**

18.1 Conflicts of Interest shall be dealt with in accordance with the Conflicts of Interest Policy and NHS England statutory guidance for managing conflicts of interest.

18.2 The Committee shall have a Conflicts of Interest Register that will be presented as a standing item on the Committee's agenda. In addition, an opportunity to declare any new or relevant declarations of interest will be listed as a standing item on the Committee's agenda

## **19. Gifts and Hospitality**

19.1 Gifts and Hospitality shall be dealt with in accordance with the Conflicts of Interest Policy, and NHS England statutory guidance for managing conflicts of interest.

19.2 The Committee shall have a Gifts and Hospitality Register and Committee members will have an opportunity to declare any new or relevant declarations of relevant gifts and hospitality as a standing item on the Committee's agenda

## **20. Standards of Business Conduct**

20.1 Committee members and any attendees or observers must maintain the highest standards of personal conduct and in this regard must comply with:

20.1.1 The law of England and Wales;

20.1.2 The NHS Constitution;

20.1.3 The Nolan Principles;

20.1.4 The standards of behaviour set out in the CCG's Constitution;

20.1.5 The Standards of Business Conduct Policy;

20.1.6 The Conflicts of Interest Policy

20.1.7 The Counter Fraud, Bribery and Corruption Policy,

20.1.8 Any additional regulations or codes of practice relevant to the Committee.

20.2 The Committee will have access to sufficient resources to carry out its duties and Committee members will be provided with appropriate and timely training.

## **21. Review of Terms of Reference**

21.1 These Terms of Reference will be reviewed from time to time, reflecting the experience of the Committee in fulfilling its functions and the wider experience of the CCG.

21.2 These Terms of Reference will be formally reviewed annually. These Terms of Reference may be varied or amended by the Governing Body.

**Date Approved by Governing Body:** 23<sup>rd</sup> April 2020.

**Date of Next Review:** 22<sup>nd</sup> April 2021.

**Schedule 1**  
**List of Members**

The voting members of the Committee are:

<b>Position</b>	<b>Name</b>

Committee Chair:

<b>Position</b>	<b>Name</b>

The standing attendees are:

<b>Position</b>	<b>Name</b>