

NHS Herts Valleys Clinical Commissioning Group

Finance committee Terms of Reference V2.1

1.0 Role

- 1.1 This committee is established in line with the NHS Herts Valleys Clinical Commissioning Group Constitution. The main role of the Finance committee (the “committee”) is to:
- 1.1.1 Deliver against integrated governance¹ arrangements on the effective discharge of the CCG’s functions with a particular focus on finance;
 - 1.1.2 Approve financial plans; and
 - 1.1.3 Approve clinical/non-clinical business cases for investment and disinvestment within the committee’s delegated authorisation limits.
- 1.2 The strategic context relates to the full implementation of *Your Care, Your Future* which is complementary to the Sustainability and Transformation Partnership (STP) strategy for Hertfordshire and west Essex, *A Healthier Future*.
- 1.3 This committee is both an assurance and a decision-making committee of the board and has powers that have been specifically delegated within these Terms of Reference.
- 1.4 The committee is accountable for monitoring and overseeing a robust organisation-wide system of board assurance that supports the work of the Audit committee.
- 1.5 The committee will ensure that the actions of the CCG are underpinned by and assessed against the CCG’s stated values and behaviours.

2.0 Membership

- 2.1 Members of the committee will be appointed by the board. The committee will be made up of:
- Two Lay-members of the board (one shall be the chair, the other shall be the deputy chair)
 - The CCG Deputy Clinical chair
 - Two further GP board Members, representing localities on a rotational basis²
 - Accountable Officer
 - Chief Finance Officer
 - Director of Nursing and Quality
- 2.2 The chair of the board must not be a member of the committee.

¹ Integrated Governance is: ‘Systems, processes and behaviours by which organisations lead, direct and control their functions in order to achieve their objectives, safety and quality of services and in which they relate to patients and carers, the wider community and partner organisations’ (*Integrated Governance Handbook (2006) Good Governance Institute*)

² Where a GP board member is unable to attend a committee meeting, the chair may co-opt another board GP.

2.3 Both the chair and deputy chair of the committee will be lay members of the board. In the absence of the committee chair and/or deputy, the remaining members present will elect another member to chair the meeting.

2.4 Deputies may represent members of the committee with the agreement of the chair.

3.0 Attendance

3.1 The Deputy Director of Finance and Director of Commissioning will be regular attendees at the committee.

3.2 Only members of the committee or their deputies have the right to attend and vote at committee meetings. The committee may require other officers of the CCG and other individuals to present papers.

3.3 When there is a conflict of interests related to general practice, the GP members may be permitted to participate in the discussion but be excluded from the decision. If an interest is sufficient to exclude all HVCCG GPs from taking part in the meeting and general practice advice is required, then advice will be sought from an independent GP.

4.0 Secretary

4.1 The Head of Corporate Governance, or their nominee, will act as the secretary of the committee.

5.0 Quorum

5.1 The quorum necessary for the transaction of business shall be one lay member of the board, one clinician and one executive member of the board. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

6.0 Frequency of meetings and attendance requirements

6.1 The committee will normally meet monthly (minimum of ten times per annum) at appropriate times in the reporting cycle and otherwise as required.

6.2 Committee members should aim to attend all scheduled meetings. The secretary of the committee shall maintain a register of attendance which will be reported to the CCG board.

6.3 The format of the meetings can be arranged to take place face to face, virtually and/or via teleconference to ensure timeliness of decisions if and when needed.

7.0 Notice of meetings

7.1 Meetings may be called by the secretary of the committee at the request of any of its members or where necessary.

7.2 Meeting papers.

7.2.1 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend, no less than five working days before the date of the meeting.

7.2.2 Supporting papers will be sent to committee members and to other attendees at the same time.

7.2.3 No verbal updates will be accepted without prior agreement with the chair.

8.0 Minutes of meetings

- 8.1 The secretary, or their nominated deputy, shall minute the proceedings of all meetings of the committee on the approved template for committees of the board, including recording the names of those members present and others in attendance.
- 8.2 Members and those present should state any conflicts of interest in relation to open agenda items to the chair of the committee prior to the meeting. Where there is a conflict of interest the chair will notify the member whether they should withdraw from the meeting, the discussion and/or voting. The secretary or their deputy should minute how any conflicts of interest have been managed.
- 8.3 Minutes of committee meetings should be circulated promptly to all members of the committee unless a conflict of interest exists and, once agreed, submitted to the public board meeting for information.

9.0 Annual General Meeting

- 9.1 The chair of the committee will normally attend the Annual General Meeting and be prepared to respond to any questions on the committee's activities.

10.0 Duties

The committee has delegated responsibility for the following:

- 10.1 Review, evaluate and approve detailed financial plans for the CCG;
- 10.2 Review, evaluate and recommend to the board for approval the guiding principles that govern the overall approach with respect to the CCG's service investment and disinvestment plans and level of risk management. This will be in line with national requirements, local and economy-wide agreed strategies.
- 10.3 To *either*
- review, assess and approve potential service investments and disinvestments up to a value of £1m, in line with NHS Herts Valleys Clinical Commissioning Group's strategy, where they fall within the delegation of authority approved by the board; *or*
 - review, assess and make recommendations to the board, where the committee's authorisation limit is exceeded.
- 10.4 The guiding principles for service investments and disinvestments, as set out in the HVCCG Prioritisation Framework (Appendix 1) will take into account:
- strategic fit;
 - clinical effectiveness;
 - anticipated health benefits/health gain;
 - cost effectiveness;
 - affordability;
 - impact on health inequalities.
- 10.5 The committee also has delegated responsibility for assuring the following:
- Performance of QIPP / financial plans, including receiving reports from the Financial Sustainability Group;
 - QIPP and transformation plans;
 - On-going performance and effectiveness of schemes approved for investment;

- Contract performance;
 - Value-for-money reviews
 - Management of finance and contractual risks, including escalation where there are concerns;
 - In-depth reviews of specific areas to be timetabled in the committee work plan.
- 10.6 The committee will utilise the board assurance framework (BAF) to drive the committee agenda and require those who submit papers to have an increased focus on providing assurance, rather than reassurance, to the board in line with the integrated governance protocol.
- 10.7 The committee will liaise with other committees of the board, CCG groups, partnership groups and staff as necessary in order to fulfil its functions.
- 10.8 Any items that the committee consider are confidential or commercially in confidence will be discussed in a Part two meeting (confidential meeting).
- 11.0 Reporting responsibilities**
- 11.1 The committee will report to the CCG board who will approve its Terms of Reference and membership.
- 11.2 The committee will make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The committee will supply approved minutes to the board and report on its proceedings after each meeting.
- 11.4 The committee will produce an Annual Report to the board.
- 11.5 The committee will report details of key decisions to the Commissioning Executive and Audit committees.
- 12.0 Other matters**
- 12.1 The committee should:
- 12.1.1 Have access to sufficient resources in order to carry out its duties, including access to the CCG secretariat for assistance as required;
- 12.1.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 12.1.3 Give due consideration to laws and regulations;
- 12.1.4 Abide by the CCG's Constitution, its values, its Standards of Business Conduct Policy and Nolan Principles of Conduct Underpinning Public Life.
- 12.1.5 At least once per year, review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness and recommend to the board for approval, any changes it considers necessary.

13.0 Authority

13.1 The committee has no other powers, other than those specifically delegated in these Terms of Reference. The committee is authorised to:

13.1.1 Seek any information it requires from any employees of the CCG in order to perform its duties;

13.1.2 Obtain, outside legal or other professional advice on any matters within its terms of reference via the Head of Corporate Governance;

13.1.3 Call any employee to be questioned at a meeting of the committee as and when required.

14.0 Monitoring and review

14.1 The board will monitor the effectiveness of the committee through receipt of the committee's minutes, regular written reports provided by the chair of the committee and any additional verbal reports that the chair may provide.

14.2 The Chief Finance Officer will assess agenda items to ensure that they comply with the committee's responsibilities.

14.3 The Chief Finance Officer will monitor the frequency of the committee meetings and the attendance records to ensure that attendance is commensurate with delivery of the committee's responsibilities. The attendance of members of the committee will be reported to the chair of the CCG and included within the CCG's Annual Report.

14.4 Terms of Reference approved by the Finance committee: 7 February 2019.

14.5 Terms of Reference approved by the board: 17 January 2019.

14.6 Terms of Reference to be reviewed at least annually.
Latest date of next review by Finance committee: 5 December 2019.

Appendix 1: HVCCG Prioritisation Framework

Criteria	Description
Strategic fit	Is the CCG mandated to commission the service? Is it a national 'must do', is it a NICE TAG, how does the service fit with the delivery of current national targets for the CCG, how does the service align with the CCG strategic plan (including planned shifts of services/ activity to community/self-care/management), STP and Health and Wellbeing Board priorities?
Clinical effectiveness	Assessment of the existing evidence and strength of that evidence that the service or treatment may be effective compared to other existing or standard treatments.
Anticipated health Benefits/health gain	Overview of the size of the potential benefits that the population accessing this service can expect, in terms of increase in life expectancy, improved quality of life in those with long-term conditions and recovery from acute illness or injury.
Cost effectiveness (including comparison to alternative models of care)	Is there evidence or expectation of improved value for money? How does this compare, in terms of cost effectiveness, to alternative services/service models for the same patient group or conditions?
Affordability (including opportunity costs)	How much will the service or intervention cost per year? What is the cost per head of population that would potentially benefit? Is this cost affordable within the CCG's overall budget? Is there an opportunity for releasing resources for alternative uses (including staff time, estate and finance) for alternative uses? What are the opportunity costs for other services or interventions?
Impact on health inequalities	Could this service act towards reducing health inequalities in the local area? Is it accessed disproportionately by a marginalised or deprived group/area or targeted at such?

Approved by the CCG board 29 June 2017