

## Borders NHS Board



Meeting Date: 17 January 2019

<b>Approved by:</b>	Carol Gillie, Director of Finance
<b>Author:</b>	Iris Bishop, Board Secretary
<b>FINANCE &amp; RESOURCES COMMITTEE TERMS OF REFERENCE</b>	
<b>Purpose of Report:</b>	
The purpose of this report is to seek approval from the Board of the revised Terms of Reference for the Finance & Resources Committee.	
<b>Recommendations:</b>	
The Board is asked to approve the Terms of Reference for the Finance & Resources Committee.	
<b>Approval Pathways:</b>	
The Terms of Reference have been reviewed and amended by the Finance & Resources Committee.	
<b>Executive Summary:</b>	
<p>In order to increase the internal focus on financial performance a Finance and Resources Committee is established as a governance Committee of the Board to provide assurance directly to the Board.</p> <p>The key areas of focus are:</p> <ul style="list-style-type: none"> <li>- Operational Financial Performance</li> <li>- Savings, Efficiency and Best Value</li> <li>- Strategic Financial Planning</li> <li>- Capital Planning</li> </ul>	
<b>Impact of item/issues on:</b>	
<b>Strategic Context</b>	In line with the Code of Corporate Governance the Board must approve the Non Executive membership, including the appointment of Chairs and Vice Chairs as appropriate, of its Committees.
<b>Patient Safety/Clinical Impact</b>	Not Applicable.
<b>Staffing/Workforce</b>	Not Applicable.
<b>Finance/Resources</b>	Not Applicable.
<b>Risk Implications</b>	Committees are created as required by statute, guidance, regulation and Ministerial direction and to ensure efficient and effective governance of the Board's

	business.
<b>Equality and Diversity</b>	Compliant.
<b>Consultation</b>	Finance & Resources Committee.
<b>Glossary</b>	Not Applicable.

## **B) FINANCE AND RESOURCES COMMITTEE**

### **TERMS OF REFERENCE**

#### **1.1 Purpose**

The role of the Committee is to keep under review the financial position of the Board and to provide assurance that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all financial resources and that the arrangements are working effectively.

The Committee will oversee the development of a Financial Strategy for approval by the Board that is consistent with the principle of Patient Safety as our number one priority, but with reference to all other national and local priorities.

#### **1.2 Composition**

The membership of the Committee shall consist of 3 Non Executive Directors including:

- Vice Chair of the Board
- Chair of Audit Committee
- 2 Non Executive Directors

Attendees In attendance:

- Chief Executive (as Accountable Officer)
- Director of Finance, Procurement, Estates & Facilities
- Medical Director
- Director of Nursing, Midwifery & Acute Services
- Chief Officer Health & Social Care
- Director of Strategic Change & Performance
- Board Secretary (Secretariat)
- Deputy Director of Finance

Attendees may be invited to the Committee at the discretion of the Chair and it is anticipated, depending on the issues to be discussed, that other key individuals from the wider organisation will be asked to attend.

The Committee will identify a Chair from the Non Executive membership, which the Chair of the Board will recommend to the Borders NHS Board for approval.

#### **1.3 Meetings**

Meetings of the Finance and Resources Committee will be quorate when at least two Non Executive Members are present. It is anticipated that all attendees, or their nominated deputy, will attend all meetings of the committee.

The Committee will meet no less than 4 times per year and conduct its proceedings in compliance with the Standing Orders of the Board.

The Chair of the Committee, with the support of the Chief Executive, shall set the agenda for the meetings. Committee members who wish to raise items for consideration on future agendas can do so under Any Other Business or through the Committee Chair.

The agenda and supporting papers will be sent out by the Board Secretary, at least seven days in advance of the meetings to allow time for members' due consideration of issues.

Formal minutes and an action tracker arising from Committee business shall be kept to record, identify and ensure actions are carried out. The Committee will be supported by the Board Secretary who will submit the minutes for approval at the next Finance & Resources Committee meeting, prior to submission to the Board.

### **1.3 Remit**

#### **1.3.1 Financial Performance**

The Committee shall have accountability and assurance to the Board for ensuring that the financial position of the Board is soundly based, having regard to:

- Compliance with statutory financial requirements and achievement of financial targets.
- Such financial monitoring and reporting arrangements as may be specified from time-to-time by Scottish Government Health & Social Care Directorates and/or the Board.
- The level and balances of reserves held by the Board.
- The impact of planned future policies and known or foreseeable future developments on the underlying financial position of the Board.

The Committee shall undertake an annual self assessment of the Committee's work and review regularly the sections of NHS Borders Integrated Performance Report relevant to the Committee's responsibility.

#### **1.3.2 Arrangements for Securing Best Value**

The Committee shall keep under review arrangements for securing economy, efficiency and effectiveness in the use of resources. These arrangements will include procedures for:

- (a) The planning, appraisal, control, accountability and evaluation of the use of current and future resources.
- (b) Reporting and reviewing performance and managing performance issues as they arise in a timely and effective manner. In particular, the Committee will review action (proposed or underway) to ensure that the Board achieves financial balance in line with its statutory requirements.

### **1.3.3 Allocation and Use of Resources**

The Committee has key responsibility for:

- Reviewing the development of the Board's Financial Strategy in support of the Integration Joint Board Strategic Plan, Local and Regional Delivery Plans, and recommending approval to the Board.
- Reviewing and agreeing the level of budget to be provided to the IJB for the functions delegated and make recommendations to the Board.
- Reviewing the H&SCI Strategic Commissioning Plan to ensure the outcomes can be delivered within the Board's revenue and capital plans.
- Reviewing all resource allocation proposals outwith authority delegated by the Board and make recommendations to the Board.
- Monitoring the use of resources available to the Board.
- Reviewing the Property Strategy (including the acquisition and disposal of property) and make recommendations to the Board.
- Reviewing all matters relating to the achievement of Best Value.

Specifically, the Committee is charged with recommending to the Board annual revenue and capital budgets and financial plans consistent with its statutory financial responsibilities. It shall also have responsibility for the oversight of the Board's Capital Programme (including individual Business Cases for Capital Investment) and the review of the Property Strategy (including the acquisition and disposal of property), and for making recommendations to the Board as appropriate on any issue within its terms of reference.

### **1.3.4 Drug & Prescribing Budgets**

The Committee will oversee the allocation of resources to prescribing budgets based on the horizon scanning and assessments undertaken.

## **1.4 Reporting**

The minutes of the Financial and Resources Committee meetings will be submitted to the next meeting of the Committee for approval.

The Finance and Resources Committee will report to the Board and is required to produce an Annual Statement of Assurance for submission to the Board, via the Audit and Risk Committee. The proposed Annual Statement will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit and Risk Committee in June.

The Annual Statement will include the Committee's conclusions on the achievement of Best Value by NHS Borders over the financial year in question.

The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.

The Committee will put in place arrangements which will provide assurance to the Chief Executive as Accountable Officer, and to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".

### **1.5 Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference, and is authorised to seek any information it requires from any employee. All Members, employees and agents of the Board are directed to co-operate with any request made by the Committee.

In order to fulfil its remit the Committee may obtain whatever professional advice it requires, and require other individuals to attend meetings as required.

NHS Borders as a legal entity has in place a range of constitutional governance protocols that are required to be followed by Board staff. These include Standing Orders, Standing Financial Instructions and Schemes of Delegation. All members of the Committee must have a good working knowledge of these protocols. For the Committee to work to best effect, it is important that members work within the various regulations set out and fully recognise and acknowledge when any proposed actions are likely to be unconstitutional, thereby commencing appropriate referral or sanction.

### **1.6 Review**

The Terms of Reference of the Finance and Resources Committee will be reviewed on an annual basis.