Finance and Performance Committee

Terms of Reference

1. Constitutional Obligations

1.1. The Finance and Performance Committee (the Committee) is established by the Integrated Care Board for Devon (known and referred to as NHS Devon) as a Committee of the Board in accordance with its Constitution, Standing Orders and Scheme of Reservation and Delegation.

1.2. These Terms of Reference (ToR) set out the membership, remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the NHS Devon Board.

1.3. The Committee is an Assurance Committee of the NHS Devon Board and its members, including any who are not members of the NHS Devon Board, are bound by the Constitution, Standing Orders and Scheme of Reservation and Delegation of NHS Devon.

1.4. The Committee is authorised by the NHS Devon Board to:

a) Investigate any activity within its ToR;
b) Seek any information it requires within its remit, from any employee or member of NHS Devon (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these ToR;
c) Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by NHS Devon for obtaining legal or professional advice;
d) Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and ToR of any such task and finish sub-groups in accordance with NHS Devon's Constitution, Standing Orders and Scheme of Reservation and Delegation, but may /not delegate any decisions to such groups.

1.5. For the avoidance of doubt, in the event of any conflict, NHS Devon's Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation will prevail over these ToR.

2. Purpose and Responsibilities

Purpose

2.1 The purpose of the Committee is to provide oversight and seek assurance that NHS Devon is maximising value for money from the use of its public funding and delivering its performance targets set out in the NHS Devon Operational Plan for the year. The Committee will identify performance risks and concerns to ensure that mitigating actions are being taken in a timely manner to deliver NHS Devon's financial and operational commitments across the One Devon Integrated Care System.

2.2 The Committee shall agree an annual programme of business with the NHS Devon Board; however, this programme of business will be flexible to new and emerging priorities and risks.

Responsibilities

2.3 The responsibilities of the Committee are as follows:

NHS Oversight Framework

2.4 Provide assurance to the NHS Devon Board around the arrangements for discharging, and implications of, NHS Devon's responsibilities in respect of the following themes under the NHS Oversight Framework:

- Finance and use of resources

Strategic Financial Framework

2.5 Recommend for approval the strategic financial framework of NHS Devon and the One Devon Integrated Care System, and monitor performance against it.

2.6 Recommend for approval the System Collaboration and Financial Management Agreement (or similar document/arrangement as may be required by NHS England) to both the NHS Devon Board and NHS provider organisations.

2.7 Ensure that health and social inequalities are taken into account in financial decision-making.

Resource Allocation (Revenue)

2.8 Ensure that an appropriate approach is developed for distributing NHS Devon resources to drive agreed change in line with the One Devon integrated Care Strategy.

2.9 Ensure appropriate work is undertaken with One Devon Integrated Care System partners to identify and allocate resources where appropriate to address finance and performance related issues that may arise within the context of the approved NHS Devon and One Devon Integrated Care System financial framework.

2.10 Advise the NHS Devon Board on any changes to NHS and non-NHS funding regimes and consider how the funding available to NHS Devon can be best used within the One Devon Integrated Care System to achieve the best outcomes for its population.

Financial Planning

2.11 Recommend the NHS Devon Integrated Care Board non-programme budgets (running costs) to the NHS Devon Board.

2.12 Oversee the development of a medium and long-term NHS Devon Integrated Care Board and One Devon Integrated Care System financial plan which demonstrates ongoing value and sustainability.

2.13 Review the arrangements in place for the consideration of business cases for investments / disinvestments for material service change or efficiency schemes and make recommendations to the NHS Devon Board as appropriate.

Financial Performance

2.14 Oversee the management of NHS Devon Integrated Care Board and One Devon Integrated Care System financial targets.

2.15 Monitor and report NHS Devon Integrated Care Board and One Devon Integrated Care System financial performance to the NHS Devon Board, highlighting areas of concern.

2.16 Propose and monitor performance against any actions required to address financial performance issues.

2.17 Maintain oversight of the underlying NHS Devon run rate and advise on actions to improve.

System Efficiencies

2.18 Ensure NHS Devon financial resources are used in an efficient way to deliver organisational and system objectives.

2.19 Drive a system wide productivity and efficiency strategy and to ensure system efficiencies are identified and monitored across the One Devon Integrated Care System, particularly where opportunities for system partners working together across organisations can be leveraged.

Capital

2.20 Consider proposals regarding the prioritisation of operational capital requirements and make recommendations on the application of operational capital funding to the NHS Devon Board.

2.21 Gain assurance that the capital programme is aligned to the One Devon Integrated Care System financial plan.

2.22 Monitor and report system capital programme performance to the NHS Devon Board, highlighting areas of concern.

Performance

2.23 Review performance against the delivery of the NHS Devon Operational Plan and key performance metrics as set out in the NHS Oversight Framework.

2.24 Take an overview of performance and transformation at whole system, place and organisation levels in relation to One Devon Integrated Care System objectives and priorities.

2.25 Develop and maintain connections with other NHS Devon Committees which have a role in performance development and improvement, including the Quality and Patient Experience Committee and the Workforce and Organisational Development Committee.

3. Membership

3.1 Members of the Committee shall be appointed by the NHS Devon Board in accordance with the NHS Devon Constitution.

Chair & Vice Chair

3.2 In accordance with the NHS Devon Constitution, the Committee will be chaired by an Independent Non-Executive Member of the NHS Devon Board, appointed on account of their specific knowledge, skills and experience making them suitable to chair the Committee.

3.3 Committee members may appoint a Vice Chair from amongst the membership of the Committee, who must be an Independent Non-Executive Member of the NHS Devon Board who has the requisite skills and experience to act in that capacity.

3.4 The Chair of the Committee will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

Membership

3.5 The membership of the Committee shall be constituted as follows:

- Independent Non-Executive Member (Chair)
- Independent Non-Executive Member
- Either NHS Devon Chair *or* Independent Non-Executive Member
- Chief Financial Officer (Lead Executive)
- Chief Nursing Officer
- Chief Operating Officer

Other Attendees

3.6 Only members of the Committee have the right to attend and vote at Committee meetings; however, meetings of the Committee will also be attended by the following individuals who are not members:

- Chair of Audit and Risk Committee
- Chief People Officer
- Deputy Chief Finance Officer
- Director of Planning and Performance

3.7 Other attendees may be invited to attend all or part of any meeting as and when the Chair of the Committee considers they have expertise that would be relevant to the responsibilities of the Committee.

3.8 The Chair of the Committee may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

Attendance

3.9 Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Chair of the Committee. Participation by any of these means shall be deemed to constitute presence in person at the meeting. Members are normally expected to attend at least 75% of meetings during the year.

4. Quorum, Decisions and Voting

Quorum

4.1 For a meeting of the Committee to be quorate a minimum of 50% members (i.e., 3 members) is required, including the Chair or Vice Chair of the Committee (unless they are disqualified from participating on that item in the agenda, by reason of a declaration of conflicts of interest) and either the Chair of the NHS Devon Board or another Independent Non-Executive Member of the NHS Devon Board.

4.2 If any member of the Committee is unable to participate in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

4.3 If the quorum has not been reached, then the meeting may proceed informally if those attending agree, but no decisions may be taken.

Decision Making and Voting

4.4 Decisions will be guided by national NHS policy and best practice to ensure that staff are fairly motivated and rewarded for their individual contribution to the organisation, whilst ensuring proper regard to wider influences such as national consistency.

4.5 In line with NHS Devon's Standing Orders, it is expected that decisions will be reached by consensus. Should this not be possible, each member of the Committee will have one vote, the process for which is set out below:

a) All members of the Committee who are present at the meeting will be eligible to cast one vote each. (For the sake of clarity, members of the Committee are set out at paragraphs 3.5-3.8; attendees and observers do not have voting rights).

b) Absent members may not vote by proxy. Absence is defined as not being present at the time of the vote but this does not preclude anyone attending by teleconference or other virtual mechanism from exercising their right to vote if eligible to do so.

c) A resolution will be passed if more votes are cast for the resolution than against it.

d) If an equal number of votes are cast for and against a resolution, then the Chair of the Committee (or in their absence, the Vice Chair) will have a second and casting vote.

e) Should a vote be taken, the outcome of the vote, and any dissenting views, must be recorded in the minutes of the meeting.

4.6 For urgent issues, the Chair of the Committee may call a meeting at a notice of 2 days, setting out the reason for the urgency and the issue to be addressed.

5. Ways of Working

5.1 All members of the Committee will have due regard to and operate within the Constitution of NHS Devon, its Standing Orders, Standing Financial Instructions and other financial procedures.

5.2 Members of the Committee will abide by the ‘Principles of Public Life’ (The Nolan Principles) and the NHS Code of Conduct.

5.3 Members of the Committee must demonstrably consider the equality and diversity implications of decisions they make and consider whether any new resource allocation achieves positive change around inclusion, equality and diversity.

5.4 A Register of Interests will be reviewed at each Committee meeting. Those in attendance will be asked by the Chair of the Committee to declare any interests at the beginning of each meeting. If a member of the Committee feels compromised by any agenda item, they should declare a conflict of interest and agreement reached as the action to be taken as set out in the NHS Devon Conflicts of Interest Policy.

6. Reporting Arrangements

6.1 The Committee is accountable to the NHS Devon Board and shall report to the Board on how it discharges its responsibilities.

6.2 The Chair of the Committee will provide an assurance report on behalf of the Committee to the NHS Devon Board at each meeting on how it has discharged its responsibilities. The report shall be presented to the public meeting of the NHS Devon Board.

6.3 The Committee shall undertake an annual self-assessment of its own performance against its annual programme of business, membership and ToR. The outcome of this self-assessment will be included within the Review of Corporate Governance reported to the NHS Devon Board on an annual basis.

7. Meetings and Administration

Frequency of Meetings

7.1 The Committee will meet in private each month. Additional meetings may take place as required.

7.2 The NHS Devon Board, Chair or Chief Executive Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee’s advice.

7.3 Arrangements and notice for calling meetings are set out in the NHS Devon Standing Orders.

Administration

7.4 The Committee shall be supported by an administrator from within the NHS Devon Corporate Governance Team. Their duties in this respect will include:

a) Agreement of agendas with the Chair and attendees.
b) Preparation, collation and circulation of papers in good time.
c) Ensuring that those invited to each meeting attend, highlighting any concerns to Chair (including interests of members that may conflict with an agenda item).
d) Taking the minutes and helping the Chair to prepare reports to the NHS Devon Board.
e) Keeping a record of matters arising and issues to be carried forward.
f) Maintaining records of members' appointments and renewal dates.
g) Ensuring that action points are taken forward between meetings.
h) Ensuring that members receive the development and training they need.
i) Providing appropriate support to the Chair and members.

7.5 Following each meeting of the Committee, the administrator will:

a) Maintain an attendance log and follow up as appropriate after each meeting to ensure the Committee adheres to the required frequency of attendance by members.
b) Maintain a decisions log of reporting arrangements into each formal meeting of the Committee.
c) Maintain a log of summary written reports provided to the NHS Devon Board from formal meetings of the Committee.

8. Review of Terms of Reference

8.1 These ToR will be reviewed at least annually and earlier if required. Any proposed amendments to the ToR will be submitted to the NHS Devon Board for approval.

Document Control

Document Reference	FPC ToR
Version	v1.2
Senior Responsible Officer	Philippa Harding, Director of Governance
Approval by	NHS Devon Board
Date last reviewed/ approved	28 November 2024
Next review date	Before 31 March 2026

Change Record

Date	Change	Comments
28.11.2024	Update to membership and quoracy requirements	• Membership updated to include “either NHS Devon Chair or” Independent Non-Executive Member • Quoracy updated to “and either the Chair of the NHS Devon Board or” another Independent Non-Executive Member
27.03.25	No change	Considered as part of review of Committee effectiveness in 2024/25. No changes proposed.