

# Finance, Estates and Digital Committee Terms of Reference

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## 1. Introduction

### **Constitution:**

The Finance, Estates and Digital Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

### **Purpose:**

The aims of the ICB are to:

- improve outcomes in population health and healthcare
- tackle inequalities in outcomes, experience and access
- enhance productivity and value for money
- help the NHS support broader social and economic development.

The purpose of the Committee is to contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board in the development and delivery of a robust, viable and sustainable system financial strategy and operational plan. This includes:

- financial performance of the ICB
- financial performance of NHS organisations within the ICB footprint

Providing financial advice to the Integrated Care System Partnership Board to enable the development of a financially sustainable Strategy

Develop financial strategy and plan for the ICB with due regard for the Strategy of the Integrated Care System Partnership Board and associated Health & Wellbeing Boards

These dual roles may be reflected in separate sections of the Committee's agendas, have due regard for managing any real or perceived conflicts of interest.

The Finance, Estates and Digital Committee has no executive powers, other than those delegated in the Scheme of Reservation or Delegation and specified in these terms of reference.

## 2. Delegated Authority

The Finance, Estates and Digital Committee is authorised by the Board to:

- Investigate any activity within its terms of reference;
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the committee) within its remit as outlined in these terms of reference;
- Commission any report it deems necessary to fulfil its obligations;
- 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 the ICB for obtaining legal or professional advice;
- Create standing or 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 terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD), in the first instance:

For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the SoRD will prevail over these terms of reference other than the Committee being permitted to meet in private.

## 3. Membership

The Committee members shall be appointed by the Board in accordance with the ICB Constitution. The Executive members of the Committee may send a nominated deputy to the meeting. These individuals must be able to operate with full authority over any issue arising at the meeting. Members will possess between them knowledge, skills and experience in:

- accounting
- risk management
- and additional technical or specialist issues pertinent to the ICB's business, notably provision of clinical services; population health management; legal, regulatory and financial governance of NHS and Local Authority Social Care & Public Health services and statutory functions

When determining the membership of the Committee, active consideration will be made to diversity and equality.

### **Chair:**

In accordance with the constitution, the Committee will be chaired by a Non-Executive Member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee. The Chair of the Committee shall be independent and therefore may not chair any other committees.

Committee members may appoint a Vice Chair from amongst the members. In the absence of the Chair, the remaining members present shall elect one of their number Chair the meeting. The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

#### **4. The members of the Strategic Finance, Estates and Digital Committee are:**

- The ICB Non-Executive Member who leads on Strategic Finance, Estates and Digital
- The ICB Non-Executive Member who leads on Audit and Risk
- At least two Non-Executive and or Elected Members (drawn from Partner members)
- A Director of Public Health from a partner local authority
- A Section 151 Officer from another partner local authority
- ICB Chief Finance Officer
- ICB Chief Medical Officer
- The ICB Director of Transformation and Chief Digital Information Officer

#### **5. In attendance**

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee may also be attended by other invited and appropriately nominated individuals who are not members of the Committee. Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter including the ICB Chief Executive, other ICB Executive Directors, Chairs of ICB Directors of Finance Group, Estates Steering Group, Digital Steering Group; Representatives of Health and Wellbeing Board; Representatives of Providers, Provider Collaboratives and Locality Partnerships (Place based partnerships); Directors of Adults and Children's Social Care; Senior Finance, Estates and Digital Department officers.

The Chair 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.

The Chair of the ICB may also be invited to attend one meeting each year in order to gain an understanding of the Committee's operations.

#### **Attendance:**

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

#### **6. Administration**

The Committee shall be supported with a secretariat function from the ICB Finance, Information & Corporate Directorate (FICS Directorate). Which will include ensuring that:

- the agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead
- attendance of those invited to each meeting is monitored and those that do not meet the minimum attendance requirements are highlighting to the Chair
- records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary
- preparation, collation and circulation of papers in good time

- good quality minutes are taken in accordance with the standing orders and agreed with the chair so that a record are kept of matters arising, action points and issues carried forward
- the Chair is supported to prepare and deliver reports to the Board
- the Committee is updated on pertinent issues/ areas of interest/ policy developments
- action points are taken forward between meetings and progress against those is monitored.

## **7. Quoracy**

For a meeting to be quorate a minimum of 3 members is required, including one of ICB Non-Executive members; and one of the ICB Chief Finance Officer or the ICB Director of Transformation and Chief Digital Information Officer or the ICB Chief Medical Officer.

If any member of the Committee has been disqualified from participating 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.

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

### **Decision-making and voting:**

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter. Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication. Where any such action has been taken between meetings, then these will be reported to the next meeting.

## **8. Frequency of meetings**

The Strategic Finance, Estates and Digital Committee will meet at least 6 times a year. Initial work programme expects to meet once per month for 2hours. Arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the Finance, Estates and Digital Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

## 9. Remit and Responsibilities

The Committee's duties are as follows:

### **System financial management framework:**

- to set the strategic financial framework of the ICB and monitor performance against it
- to develop and keep under review the system Long Term Plan
- to develop the ICB financial information systems and processes to be used to make recommendations to the Board on financial planning in line with the strategy and national guidance
- to ensure health and social inequalities are taken into account in financial decision-making
- Participate in the development of the ICS financial framework with an awareness of the funding, cost pressures and risks which impact on delivery

### **Resource allocations (Revenue & Capital):**

- to develop an approach to distribute the resource allocation through commissioning and direct allocation to drive agreed change based on the ICS strategy and recommend this to the ICB Board
- to advise on and oversee the process regarding the deployment of NHS England Service Development Funding and other ad-hoc allocations
- to work with ICS partners to identify and allocate resources where appropriate to address finance and performance related issues that may arise
- to work with ICS partners to consider major investment/disinvestment outlined in business cases for material service change or efficiency schemes and to agree a process for sign off in line with the ICB Standing Financial Instructions and Scheme of Reservation and Delegation
- to monitor the NHS system capital programme against the capital envelope, taking action to ensure that it is appropriately and completely used
- to ensure oversight of future prioritisation and capital funding bids
- Recommend approach to decisions regarding delegation of budgetary responsibility to place and to provider collaboratives

### **National framework:**

- to advise the ICB on any changes to NHS and non-NHS funding regimes and consider how the funding available to the ICB can be best used within the system to achieve the best outcomes for the local population
- to oversee preparation of national ICB level financial submissions and recommend these to ICB Board
- to ensure the required preparatory work is scheduled to meet national planning timelines

### **Financial monitoring information:**

- to develop a reporting framework for the ICB as a statutory body, using the chart of accounts devised by NHSE and the integrated single financial environment (ISFE) and the ICB as a system of bodies.
- to articulate the financial position and financial impacts (both short and long-term) to support decision-making

- to work with ICB partners to identify and agree common approaches across the system such as financial reporting, estimates and judgements
- to work with ICB partners to seek assurance over the financial reports from system bodies and provide feedback to them (being clear on how this role interacts with that of the audit committee)
- to oversee the development of financial and activity modelling to support the ICB priority areas
- to develop annual, medium and long-term financial plans which demonstrate ongoing value and recovery and recommend these to the ICB Board
- to develop an understanding of where costs sit across the system, system cost drivers and the impacts of service change on costs
- understanding the financial and performance impact of transformational changes on individual originations and the wider system
- to ensure appropriate information is available to manage financial issues, risks and opportunities across the ICB
- manage financial and associated risks and the Board Assurance Framework, ensuring that appropriate and effective mitigating actions are in place.

#### **Performance:**

- to oversee the management of the system financial target and the ICB 's own financial targets
- to agree key outcomes to assess delivery of the ICB financial strategy
- to monitor and report to the ICB Board overall financial performance against national and local metrics, highlighting areas of concern
- to monitor and report to the ICB Board key service performance which should be taken into account when assessing the financial position
- to ensure that suitable policies and procedures are in place to comply with relevant regulatory, legal and code of conduct requirements

#### **System efficiencies:**

- to ensure system efficiencies are identified and monitored across the ICB, in particular opportunities at system level where the scale of the ICS partners together and the ability to work across organisations can be leveraged
- to ensure financial resources are used in an efficient way to deliver the objectives of the ICB
- to review exception reports on any material breaches of the delivery of agreed efficiency improvement plan including the adequacy of proposed remedial action plans

#### **Communication:**

- to co-ordinate and manage communications on financial governance with stakeholders internally and externally
- to develop an approach with partners, including the ICB health and care partnership, to ensure the relationship between cost, performance, quality and environment sustainability are understood

#### **People:**

- to develop a system finance staff development strategy to ensure excellence by attracting-and retaining the best finance talent

**Estates:**

- to oversee the development of the ICB estates strategy and plan to ensure it properly balances clinical, strategic and affordability drivers and recommend it to the ICB Board
- to gain assurance that the estates plan is built into ICS financial framework
- to ensure effective oversight of future prioritisation and capital funding bids

**Digital:**

- to oversee the development of the ICB Digital strategy and plan to ensure it properly balances clinical, strategic and affordability drivers and recommend it to the ICB Board
- to gain assurance that the digital plan is built into ICS financial framework
- to ensure effective oversight of future prioritisation and capital funding bids

**Procurement:**

- Oversight of procurement exercises (including Invitation to Tender, Evaluation, Preferred Bidder Appointment and Contract Award) where contracts with an estimated value above £1m or where there is a significant reputational or service issue and make recommendations to the ICB Board

## 10. Behaviours and Conduct

**ICB values**

Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.

Members of, and those attending, the Committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.

**Equality diversity and inclusion**

Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

**Conflicts of interest**

In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to both the ICB's policies and national guidance on managing conflicts of interest.

All potential conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Chair and submitted to the Board. If the Chair considers a conflict of interest exists then the relevant person must not take part in that item, and the Chair may require the affected member to withdraw at the relevant point.

## 11. Reporting Requirements

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities. The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board.

The Chair will provide assurance reports to the Board after each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

The Committee will provide an annual report to the Board to describe how it has fulfilled its terms of reference, details on progress and a summary of key achievements in delivering its responsibilities.

## **12. Review of Terms of Reference**

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and earlier if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

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