

Birmingham and Solihull Mental Health NHS Foundation Trust

Finance Performance and Productivity Committee

Terms of Reference

1 Authority

- 1.1 The Finance Performance and Productivity Committee is constituted as a Standing Committee of the Trust Board. Its constitution and terms of reference shall be as set out below, subject to amendment at future Trust Board meetings.
- 1.2 The Committee is authorised by the Trust Directors to request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise as necessary.
- 1.3. The Committee is authorised by Trust Board to carry out any function within its terms of reference

2. Purpose

- 2.1 The primary purpose of the Committee is to provide assurance on finance, performance and productivity systems and processes to approve any business cases in line with the SFI's and scheme of delegation.
- 2.2 To seek any and all explanations and information it requires from any employee or contractor of the organisation to achieve the Committee's purpose.
- 2.3 To review and approve staff related aspects of significant business development submissions (including staffing mix, costs, structures and any engagement plans with staff affected by change) to ensure that proposed changes are in line with the Trust's agreed employee proposition and staff engagement objectives'
- 2.4 The Committee will have authority to approve policies appropriate to the work of the Committee, as defined by Policy for Management of Policies
- 2.5 To review and discuss the R & D strategy prior to approval at Trust Board
- 2.6 To oversee, promote and provide assurance that the research and innovation work of the Trust is positively impacting on the Trusts services.

3. Duties

- 3.1 To consider the Trust's medium term financial strategy, in relation to both revenue and capital.
- 3.2 To approve all business cases (investment, disinvestment or changes to services) over the value of £250,000 or make a recommendation to Trust Board for matters reserved to Board. The Committee will expect assurance, via the Operational Management Team exception reports, that the Clinical Senate has considered quality implications of any business case coming to FPP for approval or review.
- 3.3 To monitor progress of major capital investments and the annual capital programme.
- 3.4 To seek and receive the results of in-depth reviews of key financial issues affecting the Trust either from internal or external sources.
- 3.5 To maintain an oversight of, and receive assurances on, the robustness of the Trust's key income sources, including new business tender submissions
- 3.6 To consider the Trust's approach to tax.
- 3.7 To approve and keep under review, on behalf of the Board of Directors, the Trust's investment strategy and policy.
- 3.8 To receive regular dashboard reports around an agreed set of Key Performance Indicators to be determined by the Committee and against external benchmark information as an aid to improving overall performance and productivity of the Trust.
- 3.9 To review high level risks related to finance, performance, planning and productivity and escalate to IQC and Audit Committee as appropriate in order to ensure these are properly reflected in the Board Assurance Framework
- 3.10 To scrutinise and challenge financial performance information and service redesign plans and ensure that any potential impact on quality is fed back to IQC in the exception reports.
- 3.11 Where there are concerns about performance in respect of finance, planning, performance and productivity, the committee will have the authority to request additional evidence of assurance that the concerns have been investigated correct action has been taken and lessons have been learnt.

4. Members

4.1 The membership of the Committee will be:

Chair - Non-Executive Director

- Deputy Chair - Non-Executive Director
- Non-Executive Director
- Executive Director of Resources
- Medical Director/Director of Nursing
- Chief Operating Officer/Deputy CEO

Other Executive Directors will attend if they have an agenda item but only for that item.

4.2 All members will have one vote. In the event of votes being equal the Chair of the Committee will have the casting vote.

4.4 In the absence of the Chair of the Committee, the Deputy Chair will chair the meeting

4.5 Other members of the Board are able to attend meetings if they indicate to the Chair of FPP, in advance, of their intention to do so.

4.6 The Trust Chair and Chief Executive will be non-voting ex-officio members of the Committee and will be entitled to attend any or all Committee meetings. They will also receive all Committee reports.

4.7 Where members are unable to attend they are entitled to, and in the case of Executive Directors, expected to nominate a deputy to attend in advance of the meeting. Such a deputy will be expected to be briefed and entitled to utilise the members vote at the meeting.

4.8 Members are expected to make every effort to attend all meetings of the Committee.

4.9 Meeting attendance will be reviewed by the Committee Chair annually.

5. Quoracy

5.1 The meeting will be considered quorate with 3 Committee members, one of which must be a non-executive director and one must be an executive director.

6. Declaration of interests

6.1 All members and attending ex-officio members must declare any actual or potential conflicts of interest in advance. These must be recorded in

the minutes. Members must exclude themselves from any part of the meeting where a potential or actual conflict of interest may occur.

7. Meetings

- 7.1 Meetings will be held monthly.
- 7.2 Meeting dates will be agreed annually in advance by the members of the Committee.
- 7.3 To include as a standing item on every agenda the Committee should review how effectively it has discharged its business.

8. Administration

- 8.1 The meeting will be closed and not open to the public.
- 8.2 The Company Secretary will ensure there is appropriate secretarial and administrative support to the Committee.
- 8.3 The Board Support Officer will be responsible for updating the forward plan with input from the Director of Resources and Director of Operations, for agreement with the Chair of the Committee
- 8.4 The Executive Director of Resources will agree a draft agenda with the Committee Chair and it will be circulated 7 calendar days before the meeting.
- 8.5 Any issues with the agenda must be raised with the Committee chair within 4 working days.
- 8.6 All final Committee reports must be submitted 7 calendar days before the meeting.
- 8.7 The agenda, minutes and all reports will be issued 6 calendar days before the meetings.
- 8.8 An action list and minutes will be compiled during the meeting and circulated within 7 calendar days of the end of the meeting.
- 8.9 Any issues with the action list or minutes will be raised within 7 calendar days of issue.

9. Reporting and relationship with other committees

- 9.1 The Committee will report to Trust Board at the next meeting reporting on any significant issues.
- 9.2 The Committee will receive regular reports from the Research and Innovation Committee which will formally report into it and will receive regular exception reports from OMT covering issues emerging through

local Planning and Development Committees which are relevant to the remit of FPP, including development of tenders and business cases.

- 9.3 The Committee will provide exception reports to the Audit Committee as the lead committee for governance
- 9.4 To receive exception reports from IQC on concerns which have been raised with regard to potential impact on quality of financial plans. Similarly to provide exception reports to IQC on issues the committee needs to draw to its attention with regard to impact on quality from issues emerging from discussions.
- 9.5 To support overlap between IQC and FPP this will be provided through the Chair of the Board and the CEO or an Executive Director who has attended the IQC providing a verbal update to FPP. Anything involving service changes will require sign off in terms of impact on quality by the Medical Director and the Director of Nursing. Attendees at both IQC and FPP will be expected to have an eye on the need for an integrated approach so that impact issues are not lost, and papers to both committees will need to indicate where there is a potential impact on quality. Where necessary, exception reports will be provided between the two Committees.
- 9.6 The Committee will review their effectiveness on an annual basis, reporting the outcome of the review to Trust Board
- 9.7 The Committee Chair will present to the Council of Governors annually a report on the work of the Committee.

Updated January 2017 approved by Board