



Finance, Performance, and Productivity Committee (FPP)

Terms of Reference

1. VALUES

The Committee will role model the Trust values:

Compassionate

- Supporting recovery for all and maintaining hope for the future
- Being kind to others and myself
- Showing empathy for others and appreciating vulnerability in each of us.

Inclusive

- Treating people fairly, with dignity and respect
- Challenging all forms of discrimination
- Listening with care and valuing all voices.

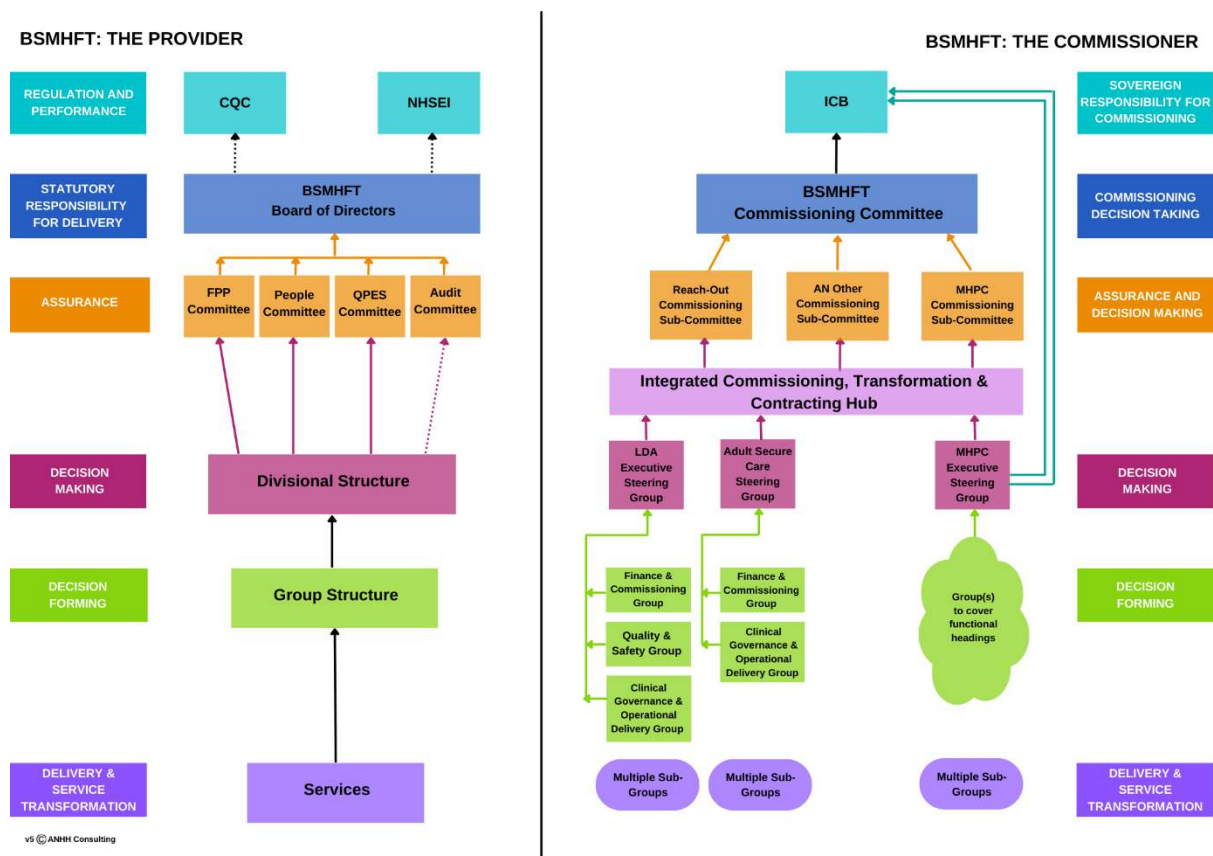
Committed

- Striving to deliver the best work and keeping patients at the heart
- Taking responsibility for my work and doing what I say I will
- Courage to question to help us learn, improve, and grow together.

2. AUTHORITY

- 2.1 The Finance, Performance and Productivity Committee (“**FPP**”) is constituted as a Standing Assurance Committee of the Board. Its constitution and terms of reference are as set out below, subject to amendment by the Board of Directors.
- 2.2 The Committee is authorised by the Board of Directors to request the attendance of individuals and authorities from within and outside the Trust with relevant experience and expertise as it considers necessary.
- 2.3 The Committee is authorised to carry out any function within its terms of reference.

FPP is an assurance committee of the Board of Directors only, i.e., it is part of the governance of the Trust's provider arm.



3. PURPOSE

- 3.1 The primary purpose of the Committee is to provide assurance on finance, performance and productivity systems and processes and to approve any business cases in line with the SFI's and scheme of delegation.
- 3.2 To seek any and all explanations and information it requires from any employee or contractor of the Trust to achieve the Committee's purpose.
- 3.3 To ensure and assure on behalf of the Board that the Sustainability stream of the Trust's Strategy (2020) is being delivered:
 - Balancing the books
 - Transforming with digital
 - Caring for the environment
 - Good governance
 - Changing through partnerships.
- 3.4 To lead on monitoring of controls and assurance related to the "Sustainability" sections of the Board Assurance Framework.

4. DUTIES

- 4.1 To receive assurance regarding the Trust's medium- and long-term financial strategy and financial health, including consideration and endorsement of financial plans and budgets for approval by the Board.
- 4.2 To approve business cases in line with authority limits defined by the scheme of delegation or to make a recommendation to the Board for matters reserved to Board. The Committee will expect assurance that there has been full and proper consideration of the quality implications of any business case coming to the Committee for approval or review.
- 4.3 To consider savings targets and plans and endorse them for approval by the Board, including assurance of progress against the cost improvement programme.
- 4.4 To consider the Trust's approach to tax.
- 4.5 To approve and keep under review the Trust's investment strategy and policy.
- 4.6 To receive regular reports and insights regarding organisational performance in a form determined by the Committee, including external benchmark information as an aid to improving overall performance and productivity of the Trust.
- 4.7 To review relevant high-level risks and escalate to QPES and Audit Committees as appropriate to ensure these are properly reflected in the Board Assurance Framework.
- 4.8 To scrutinise and challenge financial information and service redesign plans and ensure that any potential impact on quality is fed back to QPES.
- 4.9 To seek assurance regarding the strategic direction and operational delivery of the digital agenda, its impact on users and plans for sustaining it.
- 4.10 Where there are any concerns regarding finance, planning, performance and productivity, the committee is authorised to seek assurance that the concerns have been investigated, corrective action taken, and lessons learnt.
- 4.11 To review and advise on the Trust's strategic business development and planning approach, including strategic intentions. This includes consideration of any relevant, significant business development proposals.
- 4.12 To approve policies appropriate to the work of the Committee, as defined by the Policy for Management of Policies.

- 4.13 To review and discuss the Research and Development Strategy prior to approval by the Board.
- 4.14 To oversee, promote and provide assurance that the research and innovation work of the Trust is positively impacting on services.

5. MEMBERSHIP AND ATTENDANCE

Members

5.1 The membership of the Committee will be:

- Non-Executive Director (Chair)
- Non-Executive Director (Deputy Chair)
- Executive Director of Finance
- Executive Director of Strategy, People & Partnerships
- Executive Director of Operations

In Attendance

5.2 The following will be standing attendees of the Committee:

- Deputy Director of Finance
- Company Secretary

5.3 All members have one vote. In the event of votes being equal the Chair of the Committee has a casting vote.

5.4 In the absence of the Chair of the Committee, the Deputy Chair will chair the meeting.

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

5.6 Where members are unable to be present, they are entitled, and, in the case of Executive Directors, expected to nominate a deputy to attend on their behalf. These attendees will not assume temporary voting rights.

5.7 Members are expected to make every effort to be present at all Committee meetings.

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

6. QUORACY

6.1 The meeting will be considered quorate with 3 Committee members, including one non-executive director and one executive director. These cannot be deputies attending on behalf of substantive members.

7. DECLARATION OF INTERESTS

- 7.1 All attendees must declare any actual or potential conflicts of interest in advance. These must be recorded in the minutes. The Chair will adopt a sensible and pragmatic approach in managing conflict during the meeting as they may permit the conflicted member to participate and contribute to the debate and discussions on the item (so as to inform better decision-making) but abstain from any related voting.

8. MEETINGS

- 8.1 Meetings will be held 8 times per year.
- 8.2 Meeting dates will be agreed annually in advance by the members of the Committee.
- 8.3 The agenda of every Committee meeting will include as a standing item a review of how effectively it has discharged its business.

9. ADMINISTRATION

- 9.1 The meeting will be closed and not open to the public.
- 9.2 The Company Secretariat will ensure there is appropriate secretarial and administrative support to the Committee.
- 9.3 The Executive Director of Finance will be responsible for updating the Committee's cycle of business, with input from the Executive Director of Operations, for agreement with the Chair of the Committee.
- 9.4 The Executive Director of Finance will agree a draft agenda with the Committee Chair, and it will be circulated 5 working days before the meeting.
- 9.5 Any issues with the agenda must be raised with the Committee chair within 2 working days.
- 9.6 All reports and papers must be submitted 5 working days before the meeting.
- 9.7 The agenda, minutes and papers will be issued 5 working days before the meetings.
- 9.8 An action list and minutes will be compiled during the meeting and circulated within 5 working days of the end of the meeting.
- 9.9 Any issues with the action list or minutes will be raised within 5 working days of issue.

10. REPORTING AND RELATIONSHIP WITH OTHER COMMITTEES

- 10.1 The Committee Chair will provide a Committee Assurance Report for the next meeting of the Board. This will describe the major issues that were discussed by the Committee, and the level of assurance that was received through papers and oral testimony.
- 10.2 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 which are relevant to the remit of FPP, including development of tenders and business cases.
- 10.3 The Committee will provide exception reports to the Audit Committee as the lead committee for governance and risk.
- 10.4 The Committee will receive exception reports from QPES on concerns which have been raised about potential impact on quality of financial plans. Conversely, exception reports will be reported to QPES on issues the committee needs to draw to its attention about the impact on quality from issues emerging from discussions.
- 10.5 Overlap between QPES, PC and FPP business will be provided through an attendee at QPES meetings providing a verbal update to FPP. Attendees at QPES, PC and FPP will ensure the need for an integrated approach so that impact issues are not lost, and papers to committees will need to indicate where there is a potential impact on quality or the people agenda.
- 10.6 The Committee will review their effectiveness on an annual basis, reporting the outcome of the review to the Board of Directors.
- 10.7 The Committee Chair will present to the Council of Governors annually a report on the work of the Committee. The Committee Assurance Report(s) will be presented by the Committee Chair to the Council of Governors at the next scheduled meeting.

11. REVIEW

- 11.1 Terms of reference are to be reviewed annually.

DRAFTED: 31st March 2023

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