

Trust Board Meeting

ITEM: 15

DATE: 27 June 2012**TITLE:** Board Committees membership and terms of reference of Finance & Development Committee**SPONSOR:** Joe Liddane**REPORT FROM:** David Seabrooke**PURPOSE OF REPORT:** To approve terms of reference for the Finance & Development Committee and memberships of all the board's committees**EXECUTIVE SUMMARY:**

This report puts forward terms of reference for the new Finance & Development Committee.

The appointment of a Finance & Development Committee will mean the board has four committees for the first time and this has prompted a review of the non-executive membership of the range of committees. The outcome of the review is detailed below.

PROPOSED ACTION:

1. That the terms of reference for Finance & Development Committee be approved
- 2 That revised memberships of all the board's committees be approved

APPENDICES:**Appendix 1 – Draft terms of reference for the Finance & Development Committee****DECLARATION**

In completing this report, I confirm that the implications associated with the proposed action shown above have been considered – any exceptions are reported in the Supporting Information:

Implications for the NHS Constitution, CQC registration
Financial, regulatory and legal implications of proposed action
Annual Plan/IBP
Moving Ahead – how does this report support any of the Trust's 5 Strategic Goals



Supporting Information

1. Finance & Development Committee

- 1.1 Suggested terms of reference for this committee are **attached as appendix 1**. Minor amendments to the purpose of the committee have been made.

2 Memberships of the Board's Committees

- 2.1 Changes to the non-executive composition of all the Board's committees has been consulted upon and appears in the table below:

Non-executive/ Committee	Audit & Risk (6)	Quality (10)	Nominations & Remuneration (4)	Finance & Development (4)
Liddane (Chairman)			☀	
Aitken (Deputy Chairman)	☉	☉	☉	☉
Charlesworth		☉	◆	☉
Rubenstein		☀	☉	
Freedman	☀	☉	☉	☉
Dacre		☉	☉	
Lowenberg	☉		◆	☀

☉ Member ☀ Chair (x) expected number of meetings/year

◆ Member of Nominations & Remuneration only for Executive appointments

- 2.2 As noted previously, the National Health Service Trusts (Membership and Procedure) Regulations 1990 (regulations 3(3), 17 & 18) require that all non-executives are members of the Appointments Committee in relation to the appointment of the Chief Executive and the committee also includes the Chief Executive when appointing executive other directors. This committee will work alongside the equivalent Governors' Committee in relation to the Council's responsibility non-executive appointment and succession.

**WHITTINGTON NHS TRUST
FINANCE AND DEVELOPMENT COMMITTEE
TERMS OF REFERENCE**

1. Authority

1.1 The Finance and Development Committee is constituted as a standing committee of the Trust Board. Its constitution and terms of reference are set out below and can only be amended with the approval of the Trust Board.

1.2 The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Trust and all employees are directed to cooperate with any request made by the Committee.

1.3 The Committee is authorised by the Trust Board to secure the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary.

2. Purpose

2.1 The Finance and Development Committee shall undertake on behalf of the Trust Board objective scrutiny of the Trust's financial plans, and proposed major investment decisions. The Board may request that the Committee reviews specific aspects of financial performance where the Board requires additional scrutiny and assurance.

2.2 The Committee shall be responsible for strategy and evaluation of inorganic growth including mergers, acquisitions and strategic partnering/ partnerships. It shall also be responsible for scrutiny and financial authority for major tenders (I.e. Cost implications of over £3m over 3 years).

3. Membership

3.1 The Committee shall be appointed by the Trust Board and be composed of:

Non Executive Directors appointed by the Board

Chief Operating Officer

Director of Finance

Director of Strategy

Director of Planning & Programmes

3.2 One Non Executive member of the Board will be appointed as the Chair of the Committee by the Trust Board.

3.3 A quorum shall be three members, at least two of whom should be Non Executive members of the Trust Board.

3.4 Members should make every effort to attend all meetings of the Committee and will be required to provide an explanation to the Chair of the Committee if they fail to attend more than two scheduled meetings in a calendar year. In this event, the Chair of the Committee will consider the appropriate action to be taken, including the option of

recommending to the Trust Board the removal of the member from the Committee. The Committee Secretary will monitor attendance by members and report this to the Chair of the Committee on a regular basis.

4. Attendance

4.1 All other Non Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee. Executive Directors shall be invited to attend for specific agenda items as appropriate.

4.2 The Committee may invite other Trust staff to attend its meetings for specific agenda items as appropriate.

4.3 The Director of Finance will ensure the provision of a Secretary to the Committee and appropriate support to the Chair and committee members. This shall include agreement of the agenda with the Chair and the Director of Finance, collation of papers, taking the minutes and keeping a record of matters arising and issues to be carried forward and advising the Committee on pertinent areas.

5. Frequency of meetings

5.1 Meetings will normally be held quarterly. Additional meetings may be arranged to discuss specific issues but any such meetings should be infrequent and exceptional.

6. Reporting

6.1 The Chair of the Finance and Development Committee will provide a report to the Trust Board after each meeting describing the committee's activities any items requiring decision. The approved minutes of the Committee's meetings will be circulated to all Trust Board members for information.

7. Review

7.1 The terms of reference shall be reviewed by the Finance and Development Committee and approved by the Trust Board at least annually.

8. Duties

8.1 Scrutinise the development of the Trust's annual plan and long term financial strategy and plans (including both revenue and capital plans), including the underlying assumptions and methodology used, ahead of review and approval by the Trust Board.

8.2 Develop and keep under review the strategic framework for consideration of mergers, acquisitions and/or major strategic partnering or partnerships. Consider and recommend to the Board specific merger, acquisition, partnering / partnership opportunities or threats.

8.3 Provide scrutiny and financial authority for the submission of major tenders. Where these tenders are successful tenders provide post implementation financial scrutiny on an annual basis. Where they are not successful, scrutinise to identify learning opportunities for the future. .

8.4 Review at the request of the Trust Board specific aspects of financial performance where the Board requires additional scrutiny and assurance, while recognising that the primary ownership and accountability for the Trust's financial performance rests with the full Trust Board.

8.5 Scrutinise on behalf of the Trust Board the robustness of the forward Cost Improvement Plan performance and review of key risks to the achievement of current and future years' Cost Improvement Plans. Conduct an annual review of service line reporting and discuss any issues relating to investment or disinvestment in services.

8.6 Approve and keep under review, on behalf of the Trust Board, the Trust's investment and borrowing strategy and policies.

8.7 Evaluate, scrutinise and approve the financial validity of individual investment decisions, including through the review of Outline and Final Business Cases. Business cases will usually be referred to the Committee following initial review by executive committee with input from the. The following investment decisions shall be subject to review by the Committee:

- All capital schemes (including leased assets and property) with an investment value in excess of £1 million.
- All revenue investment proposals with a cost implication in excess of £3 million over three years
- All proposed asset disposals where the value of the asset exceeds £1 million.

8.8 Review post-implementation investment audits undertaken by or on behalf of the Trust. These should be carried out 12 months after business case approval.

8.9 Approve the establishment of any joint ventures or other commercial partnerships including the incorporation of startup companies. Make recommendations to the Trust Board in relation to any due diligence, warranties, assignments, investment agreements, etc. related to joint ventures, commercial partnerships or incorporation of startup companies.

8.10 Examine any matter referred to the Committee by the Trust Board.