

# Terms of Reference



Performance and Finance Committee	
<b>1. APPROVING BODY</b>	Board of Directors
<b>2. DATE APPROVED</b>	12 May 2022
<b>3. PURPOSE</b>	The purpose of the Performance and Finance Committee is to provide the Trust Board with assurance on all aspects of financial and operational performance and make recommendations to the Trust Board as appropriate.
<b>4. RESPONSIBILITIES</b>	<p>The Performance and Finance Committee shall have the following responsibilities:</p> <p><b>Strategy</b></p> <p>4.1 Review and monitor delivery of the NEAS Strategy and progress against corporate objectives, as they relate to finance, performance and sustainability</p> <p>4.2 Review and monitor sub-strategies relevant to its remit, ensuring alignment with the Trust’s vision and strategic direction and provide assurance to the Board on their ongoing development and delivery. These include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Financial Strategy</li> <li>• Annual Plan</li> <li>• Performance Improvement Trajectories</li> <li>• Commercial Development and Marketing Plans</li> <li>• Treasury Management</li> <li>• Estates Strategy – including Environmental and Sustainability Plans</li> <li>• Procurement Strategy and workplan</li> </ul> <p>4.3 Review any major business cases, investments, divestments or opportunities and ensure alignment with the overall corporate strategy</p> <p>4.4 Appraise on behalf of the Board new business initiatives that are classified by NHSI as ‘high risk’ and/or where the income attributable to assets or contract is £5m or more; providing assurance that these are viable and in line with the Trust’s vision, mission, values and overall strategic direction</p> <p>4.5 Provide the Board with assurance in relation to major investments/divestments as classified by NHSI and business cases referred to it by the Board under delegated authority</p>

## **Finance**

- 4.6 Monitor the financial plan and ensure that associated operational performance trajectories have been formulated:
- in accordance with NHSI pricing and financial planning guidance
  - in a manner that reflects the outcome of contract negotiations and on-going contract performance
  - with reference to national performance expectations
  - in a manner which ensures that demand, capacity, operational performance, workforce and financial assumptions are materially aligned
- 4.7 Review and scrutinise the monthly finance report and NHSI returns, including progress against the capital programme) including but not limited to:
- Performance against the financial plan
  - Explanation for deviation from plan
  - Forecast outturn, including variation in forecasting
  - Cash performance including performance against plan and forecast
  - Progress against the Trust's CIP Programme
  - Performance against the capital plan and forecast
- 4.8 Provide the Board with an objective review and assurance, in relation to the financial plan, ensuring the Trust maintains cash liquidity and is an effective going concern
- 4.9 Review and scrutinise the forward financial plan including cash and liquidity, prior to approval by the Trust Board
- 4.10 Monitor contractual performance and contract negotiations to receive assurance on appropriate action, from both a financial and non-financial perspective, as required
- 4.11 Monitor impact of the subsidiary company (NEASUS) on Trust financial performance
- 4.12 Monitor the contract relating services provided by the Subsidiary Company (NEASUS) to the Parent (NEAS);
- 4.13 Monitor costing and pricing, specifically including requirements from the regulator such as patient level costing

## **Performance**

- 4.14 Agree Key Performance Indicators (financial and operational) and monitor their delivery, highlighting areas of concern that should be brought to the Trust Board's attention
- 4.15 Monitor performance against nationally mandated KPIs and performance measures (e.g. ARP) issued by the regulator (NHSIE) and other relevant regulatory bodies
- 4.16 Provide detailed scrutiny of the monthly performance report and relevant NHSIE returns and seek assurance of the actions in place to deliver against the targets and any mitigation where performance is not on track including but not limited to:
- Emergency response times

- Call demand
- Long waits
- Benchmarking
- Ambulance Handovers
- 111 performance
- Scheduled care performance

4.17 Review the Integrated Quality and Performance report ahead of the Trust Board

4.18 Monitor changes to counting, coding and working practices which affect performance

4.19 Provide detailed scrutiny of the forward performance plan, including metrics required by the NHSIE such as ARP trajectories, demand projections and incident outcomes

4.20 Review performance against contractual performance targets agreed with commissioners - explicitly monitoring performance for all funded services as well as any subsequent variations or alterations to this plan

4.21 Review Emergency Preparedness Resilience and Response plan and performance

4.22 Consider issues referred by other Board Committees relating to Trust level performance issues;

4.23 Consider benchmarking information in relation to operational performance such as model ambulance and the ambulance balanced scorecard;

#### **Governance, Risk and Compliance**

4.24 Review the organisational risk register and receive assurance that risks relevant to the remit of the Committee which may impact upon the delivery of the strategy, the Trust's financial viability/sustainability or its ability to maintain performance in accordance with contractual and regulatory requirements, are being adequately managed through robust mitigation, action and improvement plans

4.25 Review the Board Assurance Framework and receive assurance that risks relevant to the remit of the Committee are being adequately managed

4.26 Monitor the Trust's financial risk profile and advise the Board of material financial risk arising

4.27 Ensure compliance with governance processes for all major investments and divestments in accordance with NHS Improvement (NHSI) Guidance as delegated by the Board of Directors. Note that Technology Committee oversees the procurement of major or critical IT systems to ensure they are fit for purpose and secure value

4.28 Monitor compliance with any legislative, mandatory and regulatory requirements within the Committee's remit

4.29 Monitor compliance with financial and resources policies through receipt of the annual review of compliance

	<p>4.30 Monitor annual objectives of the Committee, measure performance at the end of the year and produce an annual report on achievements</p> <p>4.31 Undertake any other responsibilities as delegated by the Board of Directors</p>
<p><b>5. AUTHORITY</b></p>	<p>The Performance and Finance Committee shall have the authority to:</p> <p>5.1 Review and recommend the Annual Financial Plan to the Trust Board for approval</p> <p>5.2 Review and approve business and tendering opportunities and initiatives below the £5m threshold</p> <p>5.3 Review and approve business cases referred to it by the Board for major investment in excess of the following delegated limits:</p> <ul style="list-style-type: none"> <li>• Capital &gt;£1m</li> <li>• Non-Recurrent Revenue &gt;£1m</li> <li>• Recurrent Revenue &gt;£500K</li> </ul> <p>5.4 Confirm and provide assurance that the Trust has the legal power to make any proposed investment.</p> <p>5.5 Review risks within its remit and escalate where necessary;</p> <p>5.6 Obtain information they require from within NEAS</p> <p>5.7 Obtain independent professional advice as it considers necessary in accordance with these Terms of Reference.</p> <p>5.8 Invite other individuals with relevant skills, experience or expertise to attend meetings as necessary;</p> <p>5.9 Establish sub-committees or working groups which will report to the Performance and Finance Committee</p> <p>5.10 Other authorities as may from time to time be delegated to it by the Board of Directors</p>
<p><b>6. REPORTING</b></p>	<p>The Performance and Finance Committee will report to the Board of Directors on its proceedings after each meeting on all matters within its responsibilities.</p>
<p><b>7. SUB-COMMITTEES</b></p>	<p>N/A</p>
<p><b>8. CHAIR</b></p>	<p>John Marshall, Non-Executive Director</p>
<p><b>9. MEMBERSHIP</b></p>	<p>In addition to the Chair, the Performance and Finance Committee shall include:</p> <p>9.1 Non-Executive Director</p> <p>9.2 Trust Chair (ex-officio)</p> <p>9.3 Chief Executive</p> <p>9.4 Group Director of Finance &amp; Contracting (Exec Lead)</p> <p>9.5 Chief Operating Officer</p> <p>9.6 Medical Director</p> <p>The Performance and Finance Committee will review the membership of the Committee annually to ensure that it best reflects the requirements of governance within the Trust.</p>
<p><b>10. IN ATTENDANCE</b></p>	<p>The following individuals shall be in attendance:</p>

	<p>10.1 Deputy Chief Operating Officer  10.2 Deputy Director of Finance  10.3 Assistant Director Strategy, Planning and Partnerships  10.4 Planning &amp; Performance Manager  10.5 Trust Secretary</p>
<p><b>11. SECRETARY</b></p>	<p>The Secretary will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.</p>
<p><b>12. QUORUM AND ATTENDANCE</b></p>	<p>12.1 A quorum is at least one third of the membership, one of whom shall have substantial relevant financial expertise. At least one Non-Executive Director should also be in attendance.  12.2 Members are expected to attend all meetings unless they are leave, when they may delegate their attendance to their official nominated deputy only. This delegate counts towards quorum.  12.3 Prior notice of absence and the attendance of a delegate must be provided to the Chair and the Secretary no less than 24 hours in advance of the meeting.</p>
<p><b>13. VOTING</b></p>	<p>13.1 Decisions of the Committee shall be reached by consensus;  13.2 Any action required or permitted to be taken by the Committee may be taken without a meeting if (i)  13.2.1 the Chairperson calls for such action to be taken by written consent, which includes email and;  13.2.2 the written consents are filed with the records of the meetings of the Committee.</p>
<p><b>14. MEETING ARRANGEMENTS</b></p>	<p>The following arrangements shall be observed for meetings of the Committee:  14.1 Meetings shall be held at least 10 times per year  14.2 Additional meetings shall be held at the call of the Chair, or at the request of one-third of the Committee's members;  14.3 Written notice of the date, time and place of the meeting shall be provided to each member at least five working days in advance.  14.4 Each meeting shall include an agenda and matters not specified on the agenda may be taken up at the meeting at the discretion of the Chair.  14.5 The agenda together with the relevant reports and documents will be forwarded to members at least five working days in advance to enable preparation prior to meetings.  14.6 The Secretary shall keep minutes of all meetings which will include the following:</p> <ul style="list-style-type: none"> <li>• Persons in attendance</li> <li>• Date and duration of meeting</li> <li>• Expressions of conflicts of interest</li> <li>• Identification of topics discussed</li> <li>• Recommendations made</li> <li>• Actions taken</li> <li>• Record of voting</li> </ul>

	<p>14.7 Minutes of the meeting shall be reviewed by the Chair and submitted to members for approval at the next meeting, or where urgency exists, by email vote. Once approved, minutes shall be circulated to all members for their records and retained by the Secretary within the meeting records.</p> <p>14.8 Meetings will not be recorded.</p>
<p><b>15. CONFIDENTIALITY</b></p>	<p>Members are encouraged to communicate key decisions and issues for the purpose of delivery of the objectives of the Performance and Finance Committee, however members are expected to hold confidential deliberations in the strictest of confidence, and when in doubt should consult with the Chair.</p>
<p><b>16. CONFLICT OF INTEREST</b></p>	<p>The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Where it is deemed by the Chairperson that a conflict exists, the member will be excused from deliberations and must abstain from voting on any resolution in which he/she and/or his/her associates have a material interest.</p>
<p><b>17. TERMS OF REFERENCE</b></p>	<p>The Performance and Finance Committee shall review its Terms of Reference at least annually to ensure it is operating at optimum effectiveness and recommend any changes it considers necessary to the Board of Directors for approval.</p>
<p><b>18. NEAS VALUES</b></p>	<p>Members have a collective and individual responsibility to conduct themselves in a manner which reflects the NEAS values of Compassion, Accountability and Responsibility, Respect and Excellence and Innovation.</p>
<p><b>19. REVIEW OF PERFORMANCE</b></p>	<p>The Performance and Finance Committee shall review its performance annually.</p>