

**NHS North Central London
Integrated Care Board
Finance Committee
Terms of Reference**

1. Introduction

- 1.1 The Finance Committee ('Committee') is established in accordance with the Constitution of NHS North Central London Integrated Care Board ('ICB'). It is a committee of the ICB's Board of Members.
- 1.2 These Terms of Reference set out the membership, remit, responsibilities and reporting arrangements of the Committee.

2. Purpose

- 2.1 The purpose of the Committee is to:
 - a) Provide oversight and scrutiny of the ICB's finances, budgets, financial performance and efficiency plans;
 - b) Oversee the development and delivery of a robust, viable and sustainable system financial plan that support's the ICB's objectives;
 - c) Support the ICB in its wider financial system leadership role and in particular the development and delivery of system financial plans, achieving the system control total (revenue and capital) and ensuring the financial performance of NHS organisations within the NCL Integrated Care System;
 - d) Ensure health and social inequalities are taken into account in financial decision-making.

3. Role

- 3.1 The Committee has two key areas of focus:
 - a) The ICB's internal financial functions;
 - b) The ICB's wider system leadership.
- 3.2 In relation to the ICB's internal financial functions the Committee shall:
 - a) Oversee the development and implementation of the ICB's medium and long term financial plan (ensuring they demonstrate ongoing value and recovery) and monitor performance against them;
 - b) Consider and agree, where appropriate in-year changes to budgets in line with Standing Financial Instructions ('SFI') and budget approval policies;
 - c) Maintain oversight of the finances for the annual contracting round;
 - d) Oversee the ICB's approach to organisational budget setting;
 - e) Review the ICB's SFIs and make recommendations to the Board of Members;
 - f) Review progress against key financial targets;
 - g) Consider any remedial action required and recommend appropriate financial improvement strategies to the ICB;
 - h) Review the ICB's investments for affordability and make decisions on whether to suspend, postpone, withdraw or decline investments where they are unaffordable, not delivering the return required and/or unsustainable;
 - i) Provide oversight and scrutiny of the ICB's SEP;
 - j) Review the ICB's SEP monitor progress against implementation plans and ensure consistency of approach;

- k) Make decisions on suspending, postponing, withdrawing or declining investments where the SEP schemes or the SEP element of an investment is unrealistic, under developed, not value for money and/or is unsustainable;
- l) Oversee the design and development of mitigating actions for SEP non-delivery and/or budget overspend where required such as development of an in-year recovery plan and emergency measures to ensure financial stability;
- m) Hold individual directors and/or teams and/or SEP project leads to account for delivery of SEP; and,
- n) Advise on best practice and policy in relation to financial management.

3.3 In relation to the ICB's wider system leadership the Committee shall:

- a) Oversee the development of the system financial plan;
- b) Advise on and oversee the process regarding the deployment of system-wide transformation funding;
- c) Oversee capital prioritisation and ensure capital is budgeted and delivered within the ICS capital resource limit;
- d) Work with ICS partners to identify and allocate resources where appropriate to address finance and performance related issues that may arise;
- e) Advise the Board of Members 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;
- f) Work with ICS partners to identify and agree common approaches across the system such as financial reporting, estimates and judgements;
- g) Work with ICS 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);
- h) Understand where costs sit across a system, system cost drivers and the impacts of service change on costs and make recommendations/take decisions accordingly;
- i) Ensure the delivery of the system financial target.

3.4 In relation to the ICB internal financial functions and wider system leadership (as appropriate), the Committee shall:

- a) Oversee national ICB level financial submissions;
- b) Ensure appropriate information is available to manage financial issues, risks and opportunities;
- c) Provide oversight and scrutiny of financial risks regarding the ICB and wider system;
- d) Agree key outcomes to assess delivery of the financial strategy;
- e) Monitor and report to the Board of Members overall financial performance against national and local metrics, highlighting areas of concern;
- f) Monitor and report to the Board of Members key service performance which should be taken into account when assessing the financial position System efficiencies;
- g) Ensure system efficiencies are identified and monitored across the ICB, in particular opportunities at system level where the scale of the ICB partners together and the ability to work across organisations can be leveraged;
- h) Ensure financial resources are used in an efficient way to deliver the objectives of the ICB;
- i) Review exception reports on any material breaches of the delivery of agreed efficiency improvement plan including the adequacy of proposed remedial action plans;
- j) Oversee the ICB and system approach to capital allocations.

4. Membership

4.1 The Committee shall comprise of the following voting members:

- a) ICB Chair;
- b) Two Non-Executive Members;

- c) Chief Executive;
- d) Chief Finance Officer;
- e) Three Sector Representatives who bring sector experience and perspective to Committee's deliberation from North Central London ('NCL') Integrated Care System ('ICS') NHS Trusts/Foundations Trusts- who are Chief Executives and/or Directors of Finance.

4.2 The roles referred to in the list of voting members above describe the substantive roles and any equivalent successor roles and not the individual title or titles.

4.3 In accordance with the ICB's Constitution all voting members of the Committee must be approved by the ICB's Chair.

4.4 The list of voting members is set out in Schedule 1. Schedule 1 does not form part of the Terms of Reference and may be amended without the need to formally amend these Terms of Reference.

4.5 Voting members may nominate deputies to represent them in their absence.

5. Participants and Observers

5.1 The following people shall attend Committee meetings as standing participants:

- a) Chief Development and Population Health Officer;
- b) Executive Director of Place;
- c) Executive Director of Performance and Transformation.

5.2 Participants at Committee meetings are non-voting.

5.3 The roles referred to in the list of standing participants above describe the substantive roles and any equivalent successor roles and not the individual title or titles.

5.4 The list of standing participants is contained in Schedule 1. Schedule 1 does not form part of the Terms of Reference and may be amended without the need to formally amend these Terms of Reference.

5.5 Standing participants may nominate deputies to represent them in their absence.

5.6 The Committee may invite or allow additional people to attend meetings as participants. Participants may present at meetings and contribute to the relevant discussions but are not allowed to participate in any formal vote.

5.7 The Committee may invite or allow people to attend meetings as observers. Observers may not present at meetings, contribute to any discussion or participate in any formal vote.

5.8 The Committee may call additional experts to attend meetings on a case by case basis to inform discussion.

6. Chair

6.1 The Committee Chair shall be ICB Chair or another Non-Executive Member. The Chair may nominate a deputy to represent them in their absence.

7. Voting

7.1 The ICB has agreed to use a collective model of decision making that seeks to find consensus between system partners and make decisions based on unanimity as the norm. This includes working through difficult issues where appropriate. If it is not possible to achieve unanimity a vote will be required. Voting shall be as per clause 7.2 below.

7.2 Each voting member of the Committee shall have one vote with resolutions passing by simple majority. In the event of a tied vote the Committee Chair shall have the casting vote.

8. Quorum

8.1 The Committee will be considered quorate when at least 3 voting members are present which must include:

- a) The Committee Chair;
- b) An Executive Director;
- c) A Sector Representative.

8.2 If any representative is conflicted on a particular item of business they will not count towards the quorum for that item of business. If this renders a meeting or part of a meeting inquorate a non-conflicted person may be temporarily appointed or co-opted onto the Committee to satisfy the quorum requirements.

8.3 If a meeting is not quorate the Committee Chair may adjourn the meeting to permit the appointment or co-option of additional members if necessary.

9. Secretariat

9.1 The Secretariat to the Committee shall be provided by the Corporate Affairs Directorate.

10. Frequency of Committee Meetings

10.1 Committee meetings will be held monthly but may hold additional meetings as and when necessary. The Committee Chair may call additional meetings or cancel meetings as necessary.

11. Notice of Meetings

11.1 Notice of a Committee meeting shall be sent to all Committee members no less than 7 days in advance of the meeting.

11.2 The meeting shall contain the date, time and location of the meeting.

12. Agendas and Circulation of Papers

12.1 Before each Committee meeting an agenda setting out the business of the meeting will be sent to every Committee member no less than 7 days in advance of the meeting.

12.2 Before each Committee meeting the papers of the meeting will be sent to every Committee member no less than 7 days in advance of the meeting.

12.3 If a Committee member wishes to include an item on the agenda they must notify the Committee Chair via the Secretariat no later than 7 days prior to the meeting. The decision as to whether to include the agenda item is at the absolute discretion of the Committee Chair.

13. Minutes of Meetings

13.1 The minutes of the proceedings of a meeting shall be prepared by the Secretariat and submitted for agreement at the following meeting.

14. Authority

14.1 The Committee is accountable to the Board of Members and will operate as one of its committees. The Committee must act within the remit of these terms of reference and has no executive powers other than those specifically set out in these terms of reference.

14.2 The Committee is authorised by the Board of Members to obtain at the ICB's expense outside legal or other professional advice on any matters within the Committee's Terms of Reference.

15. Reporting Responsibilities

15.1 The Committee will report to the Board of Members on all matters within its duties and responsibilities.

15.2 The Committee may make recommendations to the Board of Members it considers appropriate on any area within its remit.

16. Delegated Authority

16.1 The Committee may agree to delegate its authority to a Committee member or members to make decisions on the Committee's behalf outside of a Committee meeting at its absolute discretion on a case by case basis.

17. Virtual Meetings and Decision Making

17.1 Committee meetings may be held in person or virtually.

17.2 There are circumstances where time-critical decisions need to be made and it is not possible and/or reasonably practicable and/or a good use of resources to hold a physical meeting (either in person or virtually) in sufficient time. In these circumstances decisions may be made virtually using the protocol for virtual decision making.

18. Sub-Committees

18.1 The Committee may appoint sub-committees to advise the Committee and assist it in carrying out its duties. The Committee may not delegate any of its functions, powers or decision making authority to a sub-committee.

19. Conflicts of Interest

19.1 Conflicts of Interest shall be dealt with in accordance with the Conflicts of Interest Policy and NHS England statutory guidance for managing conflicts of interest.

19.2 The Committee shall have a Conflicts of Interest Register that will be presented as a standing item on the Committee's agenda. In addition, an opportunity to declare any new or relevant declarations of interest will be listed as a standing item on the Committee's agenda

20. Gifts and Hospitality

20.1 Gifts and Hospitality shall be dealt with in accordance with the Conflicts of Interest Policy, and NHS England statutory guidance for managing conflicts of interest.

20.2 The Committee shall have a Gifts and Hospitality Register and Committee members will have an opportunity to declare any new or relevant declarations of relevant gifts and hospitality as a standing item on the Committee's agenda

21. Standards of Business Conduct

21.1 Committee members and any attendees or observers must maintain the highest standards of personal conduct and in this regard must comply with:

- a) The law of England and Wales;
- b) The NHS Constitution;
- c) The Nolan Principles;
- d) The standards of behaviour set out in the ICB's Constitution;
- e) The Standards of Business Conduct Policy;
- f) The Conflicts of Interest Policy
- g) The Counter Fraud, Bribery and Corruption Policy,
- h) Any additional regulations or codes of practice relevant to the Committee.

21.2 The Committee will have access to sufficient resources to carry out its duties and Committee members will be provided with appropriate and timely training.

22. Review of Terms of Reference

22.1 These Terms of Reference will be reviewed from time to time, reflecting the experience of the Committee in fulfilling its functions and the wider experience of the ICB.

22.2 These Terms of Reference will be formally reviewed annually. These Terms of Reference may be varied or amended by the Board of Members.

Date Approved by the Board of Members: 4th July 2022.

Date of Next Review: 3rd July 2023.

**Schedule 1
List of Members**

The voting members of the Committee are:

Position	Name
ICB Chair or another Non-Executive Member	
Two Non-Executive Members	
Chief Executive	
Chief Finance Officer	
Sector Representative who brings sector experience and perspective to Committee's deliberation from NCL NHS Trusts/Foundations Trusts, who is a Chief Executive or a Director of Finance.	
Sector Representative who brings sector experience and perspective to Committee's deliberation from NCL NHS Trusts/Foundations Trusts, who is a Chief Executive or a Director of Finance.	
Sector Representative who brings sector experience and perspective to Committee's deliberation from NCL NHS Trusts/Foundations Trusts, who is a Chief Executive or a Director of Finance.	

Committee Chair:

Position	Name

The standing participants are:

Position	Name
Chief Development and Population Health Officer	
Executive Director of Place	
Executive Director of Transformation and Performance	