

ANNEX 5

NHS Corby CCG and NHS Nene CCG

Joint Finance Committee

Terms of Reference

<p>Membership</p>	<p>Members:</p> <ul style="list-style-type: none"> • Lay member (Chair) • Lay members x2 (representing Corby and Nene including the Chair) • Joint Chief Finance Officer or nominated Deputy • Director of Contracting and Delivery/ or Nominated Deputy • Clinical Executive Director • Nene & Corby CCG Governing Body GP Member/ or nominated Deputy • Director of Health Strategy and Planning/or Nominated Deputy
<p>Quorum</p>	<ul style="list-style-type: none"> • Meeting quorum will be 50% of members of which there must be lay member representation of both Nene and Corby CCGs, a GP representative and the Joint Chief Finance Officer and/or deputy must be present. Where a conflict of interest arises, the GP representative will not be required for quorum.
<p>In attendance</p>	<p>Required Attendance:</p> <ul style="list-style-type: none"> • Head of Procurement, NELCSU • A representative from the Programme Management Office • Head of Performance, NELCSU • PA to Chief Finance Officer (or Assigned Admin Support)
	<p>Optional Attendance:</p> <ul style="list-style-type: none"> • Other Lay member(s) • Joint Accountable Officer • Director of Primary Care Transformation • Director of People, Partnerships and Integration • Contracting Manager, NELCSU • Deputy Chief Finance Officer
<p>Frequency of Meetings</p>	<p>Monthly</p>
<p>Accountability and Reporting</p>	<ul style="list-style-type: none"> • Accountable through the Chair to NHS Corby and Nene CCGs Governing Bodies • Highlight Report to both Governing Bodies after each meeting from Chair of the Committee • Minutes available to all Governing Body members

Date of Approval Joint Finance Committee	October 2018
Date of Ratification by NHS Corby Governing Body	October 2018
Date of Ratification by NHS Nene Governing Body	November 2018
Review Date	September 2019

Approved

1. Constitution

The Governing Bodies of NHS Corby CCG and NHS Nene CCG (the CCGs) hereby resolve to establish a Joint Finance Committee (the Committee). The Joint Finance Committee is accountable to the Governing Bodies of the CCGs.

The Committee is established and powers are delegated to it by the Governing Bodies of NHS Corby and Nene CCGs in accordance with both CCGs Constitutions, Standing Orders and Scheme of Reservation and Delegation.

1.1 Joint Committees

These are permitted under the terms of the 2014 Legislative Reform Order but only for the purposes of CCGs exercising their commissioning functions. In the joint committees, both CCGs will nominate its representative member(s) and the committee will have delegated authority to make decisions on behalf of each of the CCGs. This will require each CCG to amend their Constitutions and review their governance arrangements to ensure clarity, consistency and accountability.

All joint committees will be regulated by a Memorandum of Understanding (MOU) between the constituent members, which sets out the rules under which they operate, including membership, quoracy, budgetary arrangements and dispute resolution.

These Terms of Reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and shall have effect as if incorporated into each Clinical Commissioning Group's Constitution and Standing Orders.

The CCGs Governing Bodies must assure themselves that the services they commission meet appropriate levels of safety, quality and effectiveness, that safeguarding responsibilities are met and take relevant actions if that is not the case.

2. Purpose

The purpose of the Committee is to provide the Governing Bodies with an independent and objective oversight of finance and contracting performance issues to ensure that the CCG meets its obligations. The Committee will ensure the development of effective strategies and plans for use of its delegated financial resources in order to achieve its strategic objectives and the monitoring of performance. The Committee will scrutinise financial policies and processes and make recommendations to both CCGs Governing Bodies in order for them to be assured of the overall financial well-being of the CCG(s) and the supporting financial controls within the respective organisations.

The Joint Finance Committee will assist in ensuring that Governing Body members have a sufficiently robust understanding of key financial performance and issues to enable sound decision-making.

3. Membership

The Committee shall be appointed by both CCGs Governing Bodies and membership will comprise of the following:

- Lay member (Chair)
- Lay members x2 (representing Corby and Nene CCGs including the Chair)
- Joint Chief Finance Officer or nominated Deputy
- Director of Contracting and Delivery or nominated Deputy

- Nene CCG Clinical Executive Director
- Corby CCG Governing Body GP Member
- Director of Health Strategy and Planning or nominated Deputy

4. Quorum, Frequency of meetings and required frequency of attendance

The Deputy Director of Corporate Affairs will monitor compliance with the Terms of Reference and will bring any non-compliance to the attention of the Governing Bodies. In addition, the post holder will ensure that there are aligned governance and reporting processes between both CCG Governing Bodies and the Committee.

The Committee will meet monthly. The timing of this meeting will be aligned with the Governing Body Meetings in Common to ensure timely cascade of information to and from the Committee and both Governing Bodies. The agenda and supporting papers will be circulated to all members at least five working days before the date the meeting will take place. Extraordinary meetings may also be called giving at least five working days' notice before the meeting can take place.

Members of the Committee are required to attend a minimum of 80% of the meetings held and not be absent for two consecutive meetings without prior permission of the Chair. Members of the Committee can nominate a deputy but not for more than two consecutive meetings without the prior permission of the Chair.

5. In attendance

- Head of Procurement, NELCSU
- A representative from the Programme Management Office
- Head of Performance, NELCSU
- Administrative Support (PA to Joint Chief Finance Officer)
- Others as requested by the Chair

Others may be invited at the discretion of the Committee, although this will be in attendance only, and these individuals will not be entitled to vote on any matter. Deputies may attend with prior approval of the Chair but will not be entitled to vote. The Joint Accountable Officer and GP Chair (Nene) or Clinical Chair (Corby) may attend at any time.

6. Authority

The Committee is authorised by NHS Corby and Nene CCGs Governing Bodies to investigate any activity within its terms of reference. The Committee shall make recommendations to both Governing Bodies through the Chair of the Committee as deemed appropriate on any area within its Terms of Reference where action or improvement is required. The Committee can also recommend the provision of expert advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Corby and Nene CCGs Governing Bodies have collective responsibility for its operation. Both members and attendees will participate in discussions, review, provide or seek objective input to the best of the knowledge and ability, and endeavour to support the Governing Bodies in reaching a collective view. The Committee will endeavour to make decisions by reaching a consensus. Any voting undertaken will be by a show of hands and decisions by a simple majority. In the case of an equality of votes, the Chair shall have a second or casting vote. Anyone taking a dissenting view but losing a vote will have their dissent recorded in the Minutes.

7. Duties of the Committee

The Committee will:

- Oversee and monitor the financial, QIPP, contracting and procurement performance of Corby and Nene Clinical Commissioning Groups (CCG's), and oversee performance management of provider services
- Review the draft budget and forward financial plans of both Corby and Nene CCG's.
- Oversee the development of both CCG's QIPP programme and monitor delivery of QIPP in-year and of any Financial Recovery Plans and the process for CCG(s) turnaround.
- Monitor the CCG's medium term financial stability.
- Consider all financial and contracting performance risks and whether these should be added to the Governing Body Assurance Framework or Directorate risk registers.
- Consider any draft strategic and financial plans prior to submission to the Governing bodies for approval.
- Review business cases and procurement specifications for service development as required.
- Review the performance of the main services commissioned by the CCG. The Committee shall receive reports on performance as follows.
- Financial performance against delegated budgets by function, locality and provider.
- Ensure financial management achieves value for money, efficiency and effectiveness in the use of resources with a continuing focus on cost reduction and achievement of efficiency targets.
- Oversight of the procurement process including Invitation to Tender, Evaluation, Preferred Bidder Appointment and Contract Award for new contracts with an estimated value above 0.15% of the CCGs allocation or where there is a significant reputational or service issue: Ensuring it drives value for money across the commissioning portfolio.
- Contract performance on all major contracts
 - Updates on the activities and performance of the contracting and procurement function within Corby and Nene CCG's, including the commissioning support functions.
 - Performance against key national and local indicators; and
 - Areas pertinent to the delivery of the above e.g. information, human resources, estates, although these will be by exception when required.

Financial Risk Management

- To review financial risk and advise both CCGs Governing Bodies accordingly.
- Review and evaluation of key financial risks and associated mitigating actions.
- Development of risk management process around the evaluated risks linking to Board Assurance Framework providing assurance around active financial risk management.

Business Case consideration, Capital and Service Investment Programme management

- To perform a preliminary review of proposed major investments.
- To establish the overall controls which govern business case investments and to receive assurances on the approvals process for Business Cases approved by the Joint Executive Management Team (JEMT) or Clinical Executive Group (CEG) and making recommendations to the Governing Bodies when the level of approval exceeds the limits set in the Committee Scheme of Delegation.
- To ensure that robust processes are followed, evaluating, scrutinising and monitoring investments so that benefits realisation can be confirmed in line with the Governing Bodies Investment Policy.
- To ensure testing of all relevant options for larger business cases prior to detailed workup.
- To focus on financial metrics within cases e.g. payback periods, rate of return etc.

Monitoring Performance

- Monitor the Financial KPI's and associated actions, the performance scorecard, and activity and financial performance.

The Committee will also review when available;

- The forward financial plan
- Any year end reports pertaining to the remit of the Committee
- Other reports as submitted by members of the Committee, or where required by both the Governing Bodies
- Assessment of pressures within the whole system and how these affect contracts and performance

8. Accountability and Reporting Arrangements

The Committee is accountable to and will report to both CCGs Governing Bodies on its proceedings after each meeting through a highlight report from the Chair of the Committee.

9. Sub-Committees and Reporting Groups

The Committee will support both CCGs Governing Bodies in discharging their responsibilities by providing objective assurance that processes are in place across both organisations to ensure that alignment of financial management functions.

The Committee shall have the authority to establish sub-groups/task and finish groups for the purpose of addressing specific tasks and areas of responsibility. The Terms of Reference, including the reporting procedures of any subcommittees must be approved by the Committee and regularly reviewed.

10. Declaration of Interest

The chair, voting members with support from the committee secretary manage any conflict of interest ensuring the CCGs policies are followed, including a record of any deputies nominated for special purpose e.g. to provide cover arrangements or in order to manage a conflict of interest.

All declarations of interest shall be minuted and added to the Conflict of Interest Register.

11. Administration

The Committee shall be supported administratively by an Administrator whose duties in this respect will include:

- Review of the Terms of Reference in line with requirements
- Maintain agenda against a work plan/cycle of business.
- Agreement of the agenda with the Chair and attendees and collation of papers.
 - Circulation of agendas and supporting papers to Committee members at least five working days prior to the meeting
 - Other members of the Committee should submit their agenda items to the Chair or Deputy Chair for consideration
 - Taking and issuing the minutes and preparing action lists in a timely way.
 - Keeping a record of matters arising and issues to be carried forward to both Governing Bodies.
 - Maintaining an on-going list of actions, specifying members responsible, timescales and keeping track of these actions
 - Drafting of minutes for approval by the Chair within five working days of the meeting and then distributed as outlined above within 10 working days
 - Keeping an accurate record of attendance.

12. Requirement for review

These terms of reference may be amended in consultation with both CCGs Governing Bodies, to reflect change in circumstances that may arise. The Terms of Reference should be reviewed annually.

13. FOI Reminder

The minutes (or sub-sections) of the Committee, unless deemed exempt under the Freedom of Information Act 2000, shall be made available to the public, through the meeting.

14. Equality Act

Each decision made/approved by the Joint Quality Committee should align to the CCGs commitment to equality and inclusion. And by doing so, the Joint Quality Committee must be satisfied that decisions made meet the requirements of equality law, including but not limited to the Equality Act 2010; s149 Public Sector Equality Duty (PSED).