

Terms of Reference – **Finance and Digital Committee**

Document Data	
Corporate Entity	University Hospitals Bristol and Weston NHS Foundation Trust
Document Type	Terms of Reference
Document Status	Draft
Executive Lead	Director of Finance and Information
Document Owner	Director of Corporate Governance
Approval Authority	Board of Directors
Document Reference	Not Applicable
Review Cycle	12 months
Next Review Date	1 st July 2021
Estimated Reading Time	7 Minutes

Finance and Digital Committee Terms of Reference

Document Change Control				
Date of Version	Version Number	Lead for Revisions	Type of Revision	Description of Revision
November 2007	N/a	Not recorded	Pre-FT	Not recorded
March 2008	N/a	Not recorded	Pre-FT	Not recorded
07 October 2008	N/a	Not recorded	FT	First Foundation Trust version
March 2009	N/a	Not recorded	Not recorded	Not recorded
22 June 2012	1.1	Trust Secretary	Redraft	To ensure congruence with the Terms of Reference of other committees of the Trust Board of Directors as revised at the beginning of 2011-2012. Endorsed by Finance Committee for approval by Trust Board of Directors with addition of footnote 4.
28 June 2012	2.0	Trust Secretary	Major Version	Approved by Trust Board of Directors.
26 September 2014	3.0	Joint Interim Head of Membership & Governance	Redraft	To ensure congruence with the Terms of Reference of other committees of the Trust Board of Directors ahead of the well led Governance Review to be undertaken in late 2014.
28 July 2016	4.0	Trust Secretary	Minor	Changes to job titles and quorum for the committee. Change from Monitor to NHS Improvement. Additional section 7.2 in relation to the quorum. Change from the Trust Secretary attending from time to time, to each meeting. (6.6 (b))

Finance and Digital Committee Terms of Reference

13/10/2017	5.0	Trust Secretary	Minor	<p>Minor typographical amendments</p> <p>Inclusion of the reporting requirement to the Audit Committee (section 5.2)</p> <p>4.2 (e) updated to reflect the Capital Investment Policy</p> <p>8.1 a (x) updated to reflect the Use of Resources Rating</p> <p>4.3 (e) updated to clarify wording</p>
23/10/18	6.0	Deputy Trust Secretary	Minor	<p>Revisions to make sure Tor align with best practice.</p> <p>Revisions to clarify the risk function (as part of a review of all Board ToR in relation to risk) and to ensure assurance mapping is correct across Committees.</p> <p>Clarity of wording.</p>
02/07/20	7.0	Director of Corporate Governance	Major	<p>Inclusion of Information Technology within the remit of the Committee and a new Stakeholder Analysis section</p>

1. Constitution of the Committee

- 1.1. The Finance and Digital Committee (the Committee) is a non-statutory committee established by the Board of Directors to discharge the duties set out in these Terms of Reference.

2. Purpose and role

- 2.1. The purpose of the Committee is to support the implementation of the Board's Strategy by seeking assurance about the Trust's financial and digital strategies.
- 2.2. Additionally, the Committee shall carry out the role of 'investment committee' for the purposes of the Trust's Capital Investment Policy.

3. Stakeholder Community

- 3.1. The Committee's (FDC) primary responsibility is to the Board of Directors, as detailed above. However, in order to discharge these responsibilities appropriately the FDC must work in close partnership with a number of internal and external Stakeholders. These Stakeholders influence the work of the FDC by:

- establishing external benchmark standards and requirements
- providing insights on current and emerging risks
- providing / receiving assurance on the suitability and efficacy of the Trust's approach.

- 3.2. The Stakeholders of the Committee are identified below:

Internal (accountable to)

- Board of Directors
- Council of Governors
- Accounting Officer (CEO of the Trust)

Internal (peer)

- Audit Committee

Internal (reporting to FDC)

- Internal Audit (sub-contracted)

External

- NHS England and Improvement
- NHS X
- NHS Digital

Stakeholder Analysis

- 3.3. The Terms of Reference and the responsibilities of the FDC are critically dependent on an accurate understanding of the Stakeholder community and their associated requirements, especially any deliverables that are required, either from

or by the FITC.

- 3.4. The following table provides an analysis of the requirements and dependencies associated with the FDC’s Stakeholder Community.
- 3.5. **Requirements for FDC** - Explains what the Committee is required to do based on the requirements of the stakeholder.
- 3.6. **Inputs into FDC** - Explains what needs to be provided into the Committee to allow it to fulfil the requirements of the stakeholder.

Internal Stakeholder Community					
Stakeholder	Requirements for FDC		Inputs into FDC		Section Reference
	General	Formal Deliverables	General	Formal Deliverables	
Board of Directors	To advise on status, risks, opportunities associated with the key parameters listed in 2.1	Chair Report (after each meeting) FITC Annual Report and annual review of the Terms of Reference Feedback on the risks held within the BAF and Trust Risk registers	SRR and CRR Recommendations from high risk Internal Audit Approve Terms of Reference	None	7.1, 10.1, 10.3, 10.4 15.1
Council of Governors	Updates at Governors Focus Group Input into the annual operational plans and budget	None	None	None	10.1
Accounting Officer	Finance reports shared with the Senior Leadership Team	None	None	None	10.1
Audit Committee	None	Chair’s Report (each mtg)		None	7.2

Internal Stakeholder Community					
Internal Audit (sub-contracted)	None	None	None	Relevant high risk Internal Audit Reports (each mtg)	10.4

External Stakeholder Community					
Stakeholder	Requirements for FDC		Inputs into FDC		Section Reference
	General	Formal Deliverables	General	Formal Deliverables	
NHS England and Improvement	None	Report the Trust's financial position	None	Finance reports	10.1
NHS X	None	Global Digital Exemplar requirements	None	Update on compliance with GDE	10.3
NHS Digital		Compliance with National standards for management and use of Information Technology, incl. cyber-sec, DSP, information standards		Update on compliance	10.3

4. Function

4.1. The function of the Committee is to seek assurance, on behalf of the Board of Directors in relation to the Trust's financial and digital strategies, and specifically

Financial Strategy

- Progress on the delivery of the Financial Strategy
- Delivery of the financial aspects of the Operational Plan
- The annual financial plans: revenue, budgets, capital, working and associated targets for savings to ensure sustainability going forward
- The Trust's financial plans over the short, medium and long term.
- The availability of financial management information (to ensure a consistent approach to financial management);

- Sustainable service commissioning;
- Review and maintain an overview of financial and service delivery agreements and key contractual arrangements
- Oversee the development, management and delivery of the Trust's annual capital programme ¹
- Consider the effectiveness and alignment of key financial policies e.g. investment policy with the Trust's Strategy
- To consider and recommend for approval by the Trust Board of Directors any proposed changes to Trust Standing Financial Instructions.

Digital Strategy

- Progress on the delivery of the Trust's Digital Strategy and aligned programmes
- The changes being brought about by the use of data, information, knowledge and technology within the Trust
- The opportunities and risks of the changes brought about by the Digital Strategy and the changing expectations of staff, stakeholders, patients, service users and the public
- That the risks associated with the adoption of use of digital technologies are understood, weighted against the benefits and mitigated as far as is possible
- That the Trust is supported by technology that is scalable, interoperable, flexible, fixable, resilient and fit for purpose
- That digital implementation and support structures are properly resourced, are embedded throughout the organisation and appropriately involve users and other stakeholders.

5. Authority

5.1. The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference. The Committee is authorised by the Board to:

- Review, monitor, and where appropriate, investigate any matter within its terms of reference, and seek such information as it requires to facilitate this activity;
- Obtain whatever advice it requires, including external professional or legal advice if deemed necessary (as advised by the Director of Corporate Governance). In so doing, it may require directors and other officers, or independent specialists to attend meetings to provide such advice.
- The Committee discharges the authority delegated to the members of the Committee (when present) both in the Scheme of Delegation, and from time to time by the Chief Executive as recorded in the minutes of meetings.

5.2. Additionally, the Committee has delegated authority to:

¹ The Finance Committee shall carry out the role of "investment committee" for the purposes of the Trust's Capital Investment Policy.

- Approve the investment and borrowing strategy and associated policies;
- Set financial performance benchmarks;
- Approve Project Initiation Documents (as recommended by the Trust Senior Leadership Team) for capital schemes above the de minimis amount²;
- Approve capital investments and divestments above the de minimis amount²;
- Approve Business Cases with a capital cost greater than 0.5% and up to and including 1% of the Trust's turnover as per the Capital Investment Policy.

6. Limitations

- 6.1. Unless expressly provided for in Trust Standing Orders or Standing Financial Instructions the Committee shall have no further powers or authority to exercise on behalf of the Board of Directors.

7. Reporting

- 7.1. The Chair of the Committee shall report to the Board of Directors on the activities of the Committee and shall make whatever recommendations the Committee deems appropriate (on any area within the Committee's remit where disclosure, action or improvement is considered necessary).
- 7.2. The Chair shall provide a report on the activities of the Committee at each Audit Committee.
- 7.3. The Committee shall prepare a statement for inclusion in the Annual Report about its activities.

8. Membership and attendance

- 8.1. Members of the Committee shall be appointed by the Board of Directors and shall include:
- Three Non-Executive Directors;
 - The Chief Executive;
 - The Director of Finance and Information;
 - The Chief Operating Officer³.
- 8.2. The Chair of the Trust may be a member of the Committee.
- 8.3. One of the Non-Executive members will be appointed Chair of the Committee by the Board and will not Chair any other standing Committee of the Board.
- 8.4. It is expected that members will or a nominated appropriate representative will

² As set out in the Trust's Standing Financial Instructions.

³ In circumstances where the Chief Operating Officer is unable to attend a meeting, a suitable deputy shall be designated to attend. Attendance by the designated deputy shall be subject to approval by the Chair of the Finance Committee and the Chief Executive jointly. Their presence shall not contribute to the quorum.

attend a minimum of 75% of committee meetings a year.

- 8.5. The following officers may be required to attend meetings of the Committee at the invitation of the Chair:
- Chief Information Officer
 - Chief Clinical Information Officer
 - Deputy Director of Finance (Planning)⁴
 - Deputy Director of Finance (Governance)
 - Associate Director of Finance
 - Head of Financial Management and Service Improvement;
 - Clinical Chairs;
 - Divisional Directors;
 - Divisional Finance Managers,
- 8.6. Only members of the Committee, and other Board members, have the right to attend Committee meetings. However, other individuals, including external advisors, may be invited to attend for all or part of any meeting, as and when appropriate.
- 8.7. The Director of Corporate Governance shall attend each meeting to provide advice to the Directors and to facilitate the formal evaluation of the Committee's performance.

9. Quorum

- 9.1. The quorum necessary for the transaction of business shall be two Non-Executive members, the Director of Finance or nominated deputy, and one other Executive Director, or nominated deputy).
- 9.2. In the event the Chief Executive is unable to attend a duly convened meeting, then another Executive Director (other than the Director of Finance) will be nominated to attend on behalf of the Chief Executive.
- 9.3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as set out in these Terms of Reference.

10. Duties

- 10.1. The duties of the Committee in relation to Finance are to consider and examine on behalf of the Board of Directors:

⁴ In the event that the Director of Finance is unable to attend, the Deputy Director of Finance (Planning) is a required attendee. In those circumstances the presence of the Deputy Director of Finance (Planning) does contribute to the quorum.

- The annual budget
- Key Trust and Divisional financial performance indicators;
- Progress to deliver the capital investment programme, in line with recommendations from the Capital Programme Steering Group
- Risks associated with financial plans (finance risk);
- Financial relationships with the Trust's Commissioners;
- Use of Resources Ratings applied by NHS Improvement
- Financial performance forecasts;
- Financial aspects of the Board Assurance Framework document; and, Business cases classed as 'major' or 'high' risk; making recommendations for approval or rejection to the Board, and,

10.2. The duties of the Committee in relation to Investments are:

- Approve the investment and borrowing strategy and associated policies;
- Set financial performance benchmarks and monitor the performance of investments;
- Review proposed revisions to the Capital Investment Policy for approval by the Trust Board of Directors each year;
- Seek and consider evidence of organisational compliance with the Capital Investment Policy;
- Approve Project Initiation Documents for all capital schemes above the de minimis amount;
- Approve capital investments and divestments above the de minimis amount, ensuring in each case that the Trust has the legal power to enter into the investment;
- Approve business cases within its delegated authority.

10.3. The duties of the Committee in relation to Information Technology are:

- Review the Digital Strategy to ensure that it aligns with the Trust Strategy and operational objectives, including patient care delivery
- Review and recommendation of the annual Digital plan to the Board
- Update on compliance with the Global Digital Exemplar programme
- Seek assurance about the delivery of IT programmes, including benefits realisation, value for money and approaches to the prioritisation of resources
- Consider the risks to the delivery of the IT programmes and Digital Services, in line with the review of the Strategic Risk Registers and Corporate Risk Registers
- Seek assurance about the resilience of Digital services specifically in relation to the digital infrastructure, defending against, and recovery from, external threats
- Ensuring the linkages between the Trust's transformation programme and the

Digital Strategy and programmes.

- 10.4. The Committee will also consider relevant high risk internal audit reports and seek updates on progress to close recommendations.

11. Secretariat Services

- 11.1. The Finance Department Secretariat shall co-ordinate secretariat services to the Committee.

12. Notice and Conduct of Meetings

- 12.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.
- 12.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be made available to each member of the Committee, any other person required to attend and all other non-executive directors, no later than seven working days before the date of the meeting.
- 12.3. Supporting papers shall be made available to Committee members and to other attendees as appropriate, no later than three working days before the date of the meeting.

13. Minutes of Meetings

- 13.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and those in attendance.
- 13.2. Draft Minutes of Committee meetings shall be made available promptly to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

14. Frequency of Meetings

- 14.1. The Committee shall meet eight times per year, and at such other times as the chair of the Committee shall require.
- 14.2. The Committee may convene additional meetings should the Chair of the Committee and the Director of Finance and Information agree, or at the request of the Board of Directors.

15. Review of Terms of Reference

- 15.1. The Committee shall, at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.