

**FINANCE AND DIGITAL COMMITTEE**

**TERMS OF REFERENCE – FEBRUARY 2019**

**1. Purpose and status**

The Finance and Digital Committee (the Committee) has been established by the Board of Directors (the Board) of Gloucestershire Hospitals NHS Foundation Trust (the Trust).

The purpose of the Committee is to:

**A. Finance**

- Support the Board's strategic direction and stewardship of the Trust's finances, investments and financial sustainability.
- Review arrangements for procurement, productivity and efficiency within the Trust, including plans to deliver savings and transformation.
- Provide assurance to the Board about the integrity and deliverability of the Trust financial and efficiency plans.
- Provide assurance to the Board concerning all aspects of finance and operational performance relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, within the resources set out in the annual plan.

**B. Digital**

- Advise the Board in discharging its functions and meeting its responsibilities with regard to information management and technology (IM&T) and information governance (IG). Such advice relates to:
  - GHFT's information management and digital strategies, including Trak recovery and the wider SmartCare programme
  - Data protection, confidentiality and privacy
  - Information security including information sharing protocols
  - Data quality and integrity
  - Records management
  - Appropriate access and use of information (including patient and personal information) to support its provision of high quality care
- Provide assurance to the Board that arrangements are in place to assess and deliver benefits of innovative technology and information for use in decision making, and
- Provide assurance to the Board that IM&T services are safe and sustainable, and that risks are being assessed and managed effectively.

*'Digital' in the context of our Trust means delivering high quality and reliable care efficiently through the use of digital technology and information. It means harnessing the potential data and technology offers to understand our patients, staff and other stakeholders' needs, expectations and experience and using the insights gained to improve/transform in opening up new ways of delivering services. It further means using business intelligence to understand our organisation and use the insight and foresight to improve evidence-based decision making.*

## **2. Authority**

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

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **3. Responsibilities**

The Committee will:

### **A. Finance**

*Financial strategy and business planning:*

- Ensure delivery of the financial aspects of the Operational Plan.
- Ensure delivery of the annual and medium-term financial plans: income and expenditure plans/budgets, revenue investment, capital investment, working capital, statement of financial position and cash flow, and associated targets for savings to ensure sustainability going forward. The Committee shall assess the assumptions therein and the alignment with overall Trust objectives.
- Approve the investment and borrowing strategy and associated policies.
- Review in-year performance against financial plan, particularly gaining an understanding of key assumptions and risks within the Trust projections.
- Review levels of contingency within the Trust financial plans and the phasing of key developments and efficiency schemes, ensuring that the full impact of any developments (including depreciation and cost of capital) have been appropriately included.
- Review and develop reporting arrangements.
- Ensure the availability and quality of financial management information (to ensure a consistent approach to financial management).
- Ensure sustainable service commissioning from a financial and funding perspective.
- 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.
- Review business cases and either:
  - approve as appropriate on behalf of the Board, if within the Committee's delegated authority; or
  - endorse prior to Board approval, if above the Committee's delegated authority.
- Consider key financial policies e.g. investment policy, issues and developments to ensure that they are shaped, developed and implemented in the Trust appropriately.

*Income and contracts management:*

- Review the Trust contracting approach with key commissioners

- Monitor in-year income against contract and levels of risk, including commissioner challenges, accrued income, fines and penalties, and income disputes.
- Review arrangements for non-activity related income streams, particularly CQUIN, to understand alignment with Trust clinical priorities and levels of income risk.
- Consider material opportunities to grow new income streams and market share of existing services.

### *Transformation and Efficiency:*

- Set financial performance benchmarks and monitor the performance of investments.
- Seek and consider evidence of organisational compliance with the Capital Investment Policy
- Review proposed revisions to the Capital Investment Policy for approval by the Board each year.
- Review the process for developing the CIP and for the oversight and delivery of the programme within the Trust.
- Review the process for developing the transformation plan and for the oversight and delivery of the programme within the Trust.
- Consider and recommend any major transformation programmes that the Trust should undertake.
- Review the annual CIP and transformation plan to provide assurance that delivery risk is minimised and productivity and efficiency maximised, in particular that contingency, phasing and risk mitigation plans are appropriate and that savings programmes are realistic and deliverable.
- Receive assurances regarding efficient and effective resource planning, particularly with respect to staffing and the deployment of agency staff.
- Receive benchmarking and other information (for example from Carter metrics) to assess Trust productivity and ensure targeting or efficiency programmes.
- Receive assurance that any process reviews are conducted using an appropriate methodology.

### *Procurement*

- Review the Trust procurement strategy, systems and arrangements for obtaining best value.
- Monitor progress against the NHS standards of Procurement within the Trust.

### *Other:*

- Oversee funding arrangement for DH transaction deficit support.
- Gain assurance that cash management arrangements are robust.
- Approve the terms of reference and membership of its sub-committees (as may be varied from time to time at the discretion of the Committee) and oversee their work, receiving reports for consideration and action as necessary.
- Review financial systems arrangements including those used for costing, income and service level reporting where appropriate.
- Review and consider any bids for external capital.
- Any other relevant matters as referred by the Board.

The Duties of the Committee are to consider and examine:-

- Key financial performance indicators.
- Monthly/annual consolidated financial performance summaries and related plans/budgets.
- Cost improvement plans.
- The monthly/annual statement of financial position.
- Working capital performance.
- Cash flow status.
- Capital Programme.
- Risks associated with financial plans.
- Financial relationships with Trust Commissioners.
- Financial Risk Ratings applied by NHS Improvement.
- Financial performance forecasts.
- Cash flow forecasts.
- Financial aspects of the Board Assurance Framework.

## **B. Digital**

### *Digital Strategy and Delivery Plan*

- Approve the Digital Strategy.
- Oversee the delivery of the strategic and operational priorities set out in the Strategy through scrutiny of the Delivery Plan.
- Make recommendations to the Board in respect of the annual IM&T capital budget.
- Provide assurance in respect of budgetary control against the agreed annual budget.
- Consider and examine risks associated with the digital strategy and delivery plan.
- Obtain assurance in respect of the digital aspects of the Board Assurance Framework.

### *Information Governance*

- Approve the Trust's information governance Policy on an annual basis.
- Obtain assurance that the Trust's policies and procedures with respect to data privacy, covering patients, staff and members, are compliant with all relevant legislation and guidance including the Data Protection Act 1998.
- Receive a quarterly report on information governance activities including:
  - Serious reportable data breaches including assurance on incident investigation and lessons learnt
  - Training compliance status
  - Progress against national IG Toolkit Compliance

### *Partnerships*

- Receive regular updates from the Integrated Care System on relevant programmes.

- Ensure there is effective collaboration with partner organisations and other stakeholders in relation to the implementation of digital solutions and sharing of systems in a controlled manner.
- Ensure the Trust is an effective host and partner in respect of the Countywide IT Service (CITS).

#### **4. Membership**

##### Members

The Committee shall comprise:

One Non-Executive Director (who shall be the Committee Chair)

Two further Non-Executive Directors (one of whom should also be a member of the Audit and Assurance and Quality and Performance Committees).

Two of the Non-Executive Directors should have recent relevant financial expertise.

Chief Executive

Director of Finance

Chief Information and Digital Officer

Chief Operating Officer

Medical Director

##### ***And, additionally, for Part B: Digital***

Director of Quality and Chief Nurse

Any member who is unable to attend a meeting of the Committee may appoint a substitute. Any substitute appointed for the Non-Executive Director member of the Committee must also be a Non-Executive Director of the Trust.

##### Attendees

The Committee may decide that any other person must attend one or all of its meetings to contribute to discussions but no such person shall form part of the quorum nor have decision-making authority. The following post-holders have a standing invitation to attend the Committee meetings:

##### **Part A: Finance**

Director of Operational Finance

Director of Quality and Chief Nurse

Director of PMO

One Governor of the Trust may attend any meeting of the Committee as an observer.

**5. Accountability and Reporting**

Accountability

After each of its meetings the Committee shall report to the Board, via the Chair's report, such issues as it considers should be brought to the Board's attention or require a decision from the Board.

The Committee shall provide such information and other support as the Board requires in order for the non-executive directors of the Trust to give account to the Council of Governors in respect of the Committee's remit.

The Committee will review its effectiveness at least annually.

Reporting in

The following groups will report into the Committee:

SmartCare Programme Board  
IM&T Programme Board

**6. Conduct of business and administrative matters**

The Committee shall conduct its meetings in accordance with these Terms of Reference and any other Trust governance requirements that apply to it (subject to below).

Any member who has a conflict of interests in respect of any matter shall not count in the quorum for the Committee's discussions and any decisions in respect of that matter.

The quorum for this Committee is three members, two of whom must be Non-Executive Directors.

The Committee shall determine the frequency of its meetings to allow it to discharge all of its responsibilities. It is expected the Committee shall meet at least monthly.

The Chair may request an extraordinary meeting at any time if they consider one to be necessary.

The agenda and any papers for the Committee's meetings shall be issued not less than five working days before each meeting.

Minutes shall be taken of each of the Committee's meetings and shall be circulated to the members within timescales agreed by the Committee.

The Committee may agree that its members can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.

Administrative support, including retention of meeting papers and other relevant documents, shall be provided by the Corporate Governance Officer.

**7. Approval and Review**

These ToR were approved by the Board on [...].

These ToR were adopted by the Committee at its meeting on [...].

These ToR shall be reviewed at least annually.

Version Control			
Version	Author	Date	Changes
0.1	Lukasz Bohdan	08-01-2019	First draft
0.2	Lukasz Bohdan	08-02-2019	Amendments made following Audit and Assurance Committee feedback

**APPENDIX 1**

**Information Management and Technology (IM&T) Governance Structure**

