

FINANCE AND RESOURCES COMMITTEE

TERMS OF REFERENCE AND WORKPLAN 2017/18

1. Introduction

This paper outlines the terms of reference for the Finance and Resources Committee (as approved by Tayside NHS Board, and contained within the NHS Tayside Code of Corporate Governance) and the Committee's 2017/18 Work Plan.

2. Executive Lead Officer

The Executive Lead Officer for this Committee is Mr Lindsay Bedford, Director of Finance, NHS Tayside.

3. Support Officer

Items for the agenda should be submitted to the Committee Support Officer, who is Mrs Lisa Green, Level 10, Ninewells Hospital and Medical School, Dundee DD1 9SY, Tel 01382 496680 or internal extension 36680 or email lisa.green7@nhs.net.

4. Purpose of Committee

To keep under review the financial position of Tayside NHS Board, to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources, and provide assurance that these arrangements work effectively.

5. Membership

Mr Doug Cross, Non-Executive Member, Tayside NHS Board, is Chair of the Committee and Mrs Judith Golden is Vice-Chair.

Members

Professor J Connell, FMedSci, FRSE, Chair, (*ex officio*), Tayside NHS Board
Dr A Cowie, Non-Executive Member & Chair of Area Clinical Forum, NHS Tayside
Mr D Cross, OBE, Non Executive Member, Tayside NHS Board (Chair)
Mrs L Dunion, Non-Executive Member, Tayside NHS Board
Mrs J Golden, Employee Director, NHS Tayside (Vice Chair)
Cllr K Lynn, Non Executive Member, Tayside NHS Board

In Attendance

Mr L Bedford, Director of Finance

Regular Attendees for Finance and Resources Committee Business

Mr M Anderson, Head of Property
Mrs L Lyall, Capital Finance Manager
Mr S Lyall, Head of Finance
Ms L McLay, Chief Executive
Mr R MacKinnon, Associate Director of Finance - Financial Services & Governance/Fraud Liaison Officer
Representative Communications Department
Representative Area Clinical Forum
Representative Area Partnership Forum

6. Quorum

Meetings of the Committee will be quorate when at least three members are present.

7. Frequency of Meetings

The Committee is to meet six times in 2017/18.

The meetings are open to the public.

8. Remit

Financial Framework

The Committee will oversee the development of a Financial Strategy that is consistent with national and local priorities, and specifically:-

- oversee the development of the Board Financial Strategy in support of the Local Delivery Plan, including aligning service and financial planning arrangements with community planning priorities;
- recommend to the Board annual revenue and capital budgets, and financial plans consistent with its statutory financial responsibilities;
- examine in detail the financial plan for NHS Tayside to ensure that planning assumptions are soundly based and reflect known pressures, potential investments and opportunities for cost reduction;
- review the financial impact of planned future policies and known or foreseeable future developments;
- review the capital plan of NHS Tayside no less frequently than twice per year and consider the impact of development opportunities and any risks arising from delivery of the current programme, and
- ensure that there is an integrated approach to workforce, finance and service planning.

Financial Investment

- ensure robust appraisal around business case development and delivery;
- scrutinise business cases for proposed investment ensuring that outcomes and benefits are clearly defined, are measureable and support delivery of key objectives for the Board;
- monitor delivery of approved investment projects against agreed outcomes and benefits, ensuring action is taken to address any shortcomings;
- approve standard documentation for business case and project monitoring;
- review business cases for significant changes in procurement methodology/approach, e.g. changes to NPDO, use of new procurement methods (e.g. managed equipment service, joint ventures, outsourcing, shared services), and
- review the benefits realisation of business cases and post implementation review to ensure the full potential has been realised.

Financial Management

- consider reports on the financial position of NHS Tayside that highlight significant trends and risks;
- monitor the deliverability of the Transformation Programme and the overall efficiency programme reflecting on both the in year delivery and contribution towards the recurring savings target;
- consider forecast positions reported by NHS Tayside and risks to achievement of forecast, and
- review the content and format of strategic financial information focussing on:-
 - clarity and appropriateness of presentation;
 - timeliness and accuracy;
 - provision of sufficient and relevant detail to inform decision making, and
 - best practice

Performance Management

The Committee shall have oversight of systems and processes to ensure economy, efficiency, and effectiveness in the use of resources. The Committee will, from time to time, review individual services in relation to performance management, ensuring that health care is delivered to an efficient and cost effective level. Specifically the Committee will:-

- promote an integrated approach to performance management and risk, and
- oversee an effective approach to prioritisation of resources, supported by appropriate and relevant benchmarking and comparative information to inform decision making.

Policy Endorsement

- adopt all finance and governance policies, and
- adopt all information governance/assurance policies.

Financial Training & Briefing

To promote a culture in which:-

- financial awareness is valued and encouraged amongst all stakeholders;
- financial skills are developed to ensure regular and wide consideration of financial issues, and
- financial information is shared openly and transparently.

Property and Asset Management Strategy

- to ensure that the Property & Asset Management Strategy is aligned with the Clinical Strategy, and is:-
 - supported by affordable and deliverable Business Cases;
 - supported by detailed Project Plans, and
 - delivered within agreed timescales and resources to secure modern, well designed, patient focussed services and facilities.
- to ensure that Tayside NHS Board's Property & Asset Management Strategy is developed, supported and maintained, and that it meets the strategic service plan needs;
- to ensure that Tayside NHS Board's property asset base is effectively utilised in support of the clinical strategy;
- to ensure that the property portfolio of NHS Tayside and key activities relating to property are appropriately progressed and managed within the relevant guidance and legislative framework;
- to ensure that all aspects of major property and land issues are dealt with in accordance with due process;
- to ensure that there is a robust approach to property rationalisation;
- to oversee the management of risk associated with both individual projects and asset strategy, and
- to monitor delivery of agreed Key Performance Indicators in respect of the Property and Asset Management Strategy.

Strategic/Capital Projects

- to review overall development of major schemes, including capital investment business cases and consider the implications of time slippage and/or cost overrun. Instruct and review the outcome of the post project evaluation;
- to receive and review reports on significant capital projects and the overall capital programme, and
- to receive reports on relevant legislation and best practice including the Scottish Capital Investment Manual (SCIM), audit reports and other Scottish Government Guidance.

Assurance

- to receive assurance reports at every meeting on the Strategic Risks that the Finance and Resources Committee has delegated responsibility for, including Strategic Financial Risk, Strategic Capital Risk and Information Governance Risk, and
- ensure that robust operational and service risk management systems and processes are in place.

9. Best Value

The Committee is responsible for reviewing those aspects of the Best Value work plan which are delegated to it from Tayside NHS Board. The Committee will put in place arrangements which will provide assurance to the Chief Executive as Accountable Officer, that NHS Tayside has systems and processes in place to secure best value for these delegated areas. The assurance to the Chief Executive will be incorporated as an explicit statement in the Committee's Annual Report.

The Committee, by way of its Annual Report, will combine progress around all of the best value characteristics including the "Cross Cutting Themes", but will specifically focus on progress around the specifics in relation to the responsibility of the Finance and Resources Committee.

10. Authority

The Committee's authority shall be within the following framework. In performing these functions, the Committee is expected to operate at a strategic governance level. Through the Accountable Officer, and with Internal and External Audit assistance where required, it must satisfy itself that there are appropriate operational controls in place throughout NHS Tayside.

Tenders, Contracts, Business Cases within the Limits of previously approved Revenue and Capital Budgets

See also:-

- Section E, Reservation of Powers and Delegation of Authority - Scheme of Further Delegation, and
- Section F Standing Financial Instructions, Section 13, Contracting and Purchasing and Annex 1, Tendering Procedures.

The Finance and Resources Committee has delegated authority to approve the acceptance of tenders and business cases on behalf of Tayside NHS Board up to a value of £4.0 million (IM&T Schemes up to £2.0 million), which cannot be accepted by any other Committee or Accountable Officer in terms of delegated powers, and where the most economically advantageous tender is to be accepted.

The Chief Executive, as Accountable Officer, acting together with the Director of Finance, has delegated authority to approve acceptance of tenders and business cases up to a value of £1.0 million, and where the most economically advantageous tender is to be accepted.

The Board Executive Directors and Operational Unit Directors, acting together with the Director of Finance, have delegated authority to approve acceptance of tenders and business cases up to the value of £1.0 million, and where the most economically advantageous tender is to be accepted.

The Chief Executive shall submit to the Finance and Resources Committee a report detailing all tenders and business cases in excess of £0.15 million and accepted by her in terms of the above delegated powers during the preceding two months in an appropriate format.

**Authority to Spend Funds and Virement
(See Section E - Reservation of Powers and Delegation of Authority - Scheme of Further Delegation)**

Delegated authority is granted, as undernoted, to approve the funding of individual items of expenditure, provided that approval can be funded within the Board's overall Revenue and Capital Budgets, and to transfer funds up to this level between budgets including transfers from reserves and balances:

The Finance and Resources Committee up to a value of £4.0 million (IM&T Schemes up to £2.0 million) in any one instance. This authority shall be exercised in respect of all proposals greater than the delegated limits below:-

- The Chief Executive as the Accountable Officer, acting together with the Director of Finance of the Board, to a value of £1.0 million;
- The Chief Executive, acting together with the Associate Director of Finance - Financial Planning and Operational Services, up to the value of £1.0 million, and
- Board and Operational Unit Executive Directors, acting together with the Director of Finance/Associate Director of Finance - Financial Planning and Operational Services up to the value of £1.0 million.

Capital Programme

The Board's Capital programme shall be managed within the framework approved each year by the Board.

The Committee shall, within this framework, approve tenders and business cases up to a value of £3.0 million. Variations in cost from the approved framework in excess of 5% or £0.15 million, whichever is the higher, shall be reported to the Committee.

In order to fulfil its remit, the Finance and Resources Committee may obtain whatever professional advice it requires, and require Directors or other Officers of the Board to attend meetings.

The Finance and Resources Committee will appoint a Capital Scrutiny Group to co-ordinate the production of the five year Capital Plan, to oversee the implementation of the Capital Programme and to ensure the appropriate levels of governance is in place regarding NHS Tayside's Capital Programme.

11. Reporting Arrangements

The Finance and Resources Committee reports to Tayside NHS Board.

Following a meeting of the Finance and Resources Committee, the minutes of that meeting should be presented at the next Tayside NHS Board meeting. In addition, the Finance and Resources Committee Chair will provide an Assurance Report to Tayside NHS Board setting out:-

- performance against Workplan;
- update on risks;
- any other major issues to be highlighted to Tayside NHS Board, and
- Horizon Scanning.

In respect of annual reporting the following will be required:-

- Finance and Resources Committee should annually and within three months of the start of the financial year, provide a work plan detailing the work to be taken forward by the Committee, and
- Finance and Resources Committee will produce an Annual Report for presentation to the Audit Committee. The Annual Report will describe the outcomes from the Committee during the year and provide an assurance to the Audit Committee that the

Committee has met its remit during the year. The Annual Report must be approved by the Finance and Resources Committee before it is presented to the Audit Committee considering Annual Accounts.

12. Work Plan (attached at Appendix 2)

At each meeting of the Committee, the following business shall be transacted:-

Each Meeting

- Minutes, action plans and any matters arising from the previous meeting of the Committee;
- Minutes of the Capital Scrutiny Group;
- Consideration of the current Corporate Financial Report incorporating financial performance against budget, risk analysis and forecasts. Informal meetings will be held to allow discussion on Corporate Financial Reports available outwith the formal meeting programme;
- Consideration of the current Capital Financial Report incorporating financial performance against budget, risk analysis and forecasts. Informal meetings will be held to allow discussion on Capital Financial Reports available outwith the formal meeting programme;
- Report on Contract Awards - Compliance with Standing Financial Instructions (as and when appropriate);
- Consideration of any Initial Agreements, Outline Business Cases, and Full Business Cases, relevant to the delegated powers of the Committee;
- Property Strategy Progress Update, including Disposal of Surplus Property;
- Assurance Reports on Reduction in Capital Risk;
- Assurance Reports on Strategic Financial Plan Risk;
- Policies arising from Business IM&T Group and Information Governance Committee (as and when appropriate);
- Policy Development - adoption of Finance and Governance policies (as and when appropriate), and
- Update from the Transformation Programme Board.

Quarterly

- Minutes of the Area Business IM&T Group;
- Minutes of the Information Governance Committee;
- Minutes of NHS Scotland Pharmaceutical Specials Programme Board, and
- Assurance Reports on Information Governance Risk.

Six monthly

- Post Occupancy Evaluation and Post Project Evaluation Progress Update.

Annually

The Committee shall consider and make recommendations to the Board with regard to:-

- The Strategic Financial Plan for 2016/17-2020/21;
- NHS Tayside Mid Year Review on Information Governance issues;
- Procurement Annual Report, including Public Procurement Reform Programme for NHS Tayside;
- The Annual Report of the Committee;
- Annual Report of Capital Scrutiny Group;
- Annual Report of Area Business IM&T Group;
- Annual Report of Information Governance Committee ;
- Annual Report of Additional Cost of Teaching (ACT);
- Sustainability and Environmental Strategy, Implementation and Monitoring;
- PAMS progress update, and
- eHealth Delivery Plan.

13. Timetable for submitting agenda items and papers

The Committee meets on a Thursday normally in the Board Room at King's Cross Conference Suite at 9.30 am, but timings are subject to change when it meets immediately following Board of Trustees.

The dates of the Committee meetings for 2017/18, and the submission dates for agenda items are set out in the following table.

Date of Meeting	Agenda setting Meeting	Agenda and papers to be issued
2017	2017	2017
18 May	18 April	11 May
17 August	6 July	10 August
16 November	17 October	9 November
2018	2018	2018
18 January	19 December, 2017	11 January
15 February	16 January	8 February
8 March	13 February	1 March

It is essential to ensure the smooth running of the business of the Committee that reports are submitted in accordance with the timetable.

Any reports not submitted to the above timescales will be considered for submission to future agendas by the Chairman and Executive Lead Officer.

Final papers must be submitted, electronically, to Mrs Lisa Green, lisa.green7@nhs.net, Committee Support Officer, Level 10, Ninewells Hospital and Medical School, Dundee, DD1 9SY, in accordance with the timetable.

Lindsay Bedford
Director of Finance
May 2017

FINANCE AND RESOURCES COMMITTEE

Best Value Workplan 2017/18

This workplan outlines the major items the Finance and Resources Committee has to consider as part of its schedule of work and the corresponding Best Value Characteristics under the headings of regular reports, annual reports, corporate risk reporting, minutes for information and policies

FINANCE AND RESOURCES COMMITTEE 2017/18

	Responsible Officer	Reporting Arrangements	Date of Meeting 18 May 2017	Date of Meeting 17 August 2017	Date of Meeting 16 November 2017	Date of Meeting 18 January 2018	Date of Meeting 15 February 2018	Date of Meeting 8 March 2018
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Regular reports submitted to the Finance & Resources Committee								
Corporate Financial Report	Mr L Bedford	Each meeting	X	X	X	X	X	X
Capital Report	Mrs L Lyall	Each meeting	X	X	X	X	X	X
Reporting Requirement – Code of Corporate Governance	Mr S Lyall	Each meeting	X	X	X	X	X	X
Strategic Financial Plan 2016/17 – 2021/22	Mr L Bedford	Annually						X
Property and Asset Management Strategy (PAMS)	M Anderson	Annually		X				
eHealth Delivery Plan (R)	Mrs J Bodie	Annually					X	
Post Occupancy Evaluation and Post Project Evaluation Progress Update (R)	Mr M Anderson	Six monthly	X					X
Property Strategy Progress Update incl Disposal of Surplus Property (R)	Mr L Bedford	Each meeting	X	X	X	X	X	X
Sustainability and Environmental Strategy, Implementation and Monitoring	Mr P Wilde	Annually			X			
Information Governance Mid Year Review	Ms M Dunning	Annually			X			
Forward Planning for 2017/18	Mr L Bedford			X		X		
Transformation Programme Board Update	Mr L Bedford	Each meeting		X	X	X	X	X

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Annual Reports								
Annual Reports that are reported to the Committee								
Finance and Resources Committee Annual Report	Mr L Bedford	Annually	X					
Capital Scrutiny Group Annual Report	Mrs L Lyall	Annually	X					
Area Business IM&T Annual Report	Mr G Doherty	Annually	X					
Information Governance Annual Report	Ms M Dunning	Annually	X					
Procurement Annual Report including Public Procurement Reform Programme for NHS Tayside	Mr M Cambridge	Annually	X					
Additional Cost of Teaching (ACT) Annual Report	Mr L Bedford	Annually		X				

Corporate Risk reporting – risks aligned to the Committee								
Strategic Financial Plan Risk (Risk ref 36)	Mr L Bedford	Each meeting	X	X	X	X	X	X
Reduction in Capital Risk (Risk ref 37)	Mr L Bedford	Each meeting	X	X	X	X	X	X
Information Governance Risk (Risk ref 38)	Ms M Dunning	Quarterly	X	X	X		X	
TrakCare Risk	Mrs J Bodie	Each meeting until implemented	X	X	X			

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Minutes for Information								
Capital Scrutiny Group Minutes (R)	Mrs L Lyall	Quarterly	X	X	X	X	X	X
Area Business IM&T Group (R)	Mr G Doherty	Quarterly	X	X	X	X	X	X
Information Governance Committee (R)	Ms M Dunning	Quarterly	X	X	X	X	X	X
NHS Scotland Pharmaceutical Specials Programme Board (R)	Mr L Bedford	As Appropriate						

Policies to be endorsed by the Committee as and when required								
Finance and Governance Policies		As & when available						