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THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

FINANCE & PERFORMANCE COMMITTEE

TERMS OF REFERENCE

Constitution

The Finance and Performance Committee is established as a sub committee of the Trust Board.

Membership

The Committee shall be appointed by the Chairman of the Board and shall comprise 3 Non Executives plus Chief Executive, Finance Director and Operations Director. A quorum shall be 2 non Executive Directors plus 1 Executive Director.

The Chairman of the Committee shall be appointed from among the Non-Executive Directors of the Trust Board.

Attendance

The Finance Director, Operations Director, Director of Corporate Affairs, Medical Director and Director of Strategy shall normally attend meetings. Trust Board members, who are not members of the Committee, may attend for all or part of the meeting by prior agreement with the Chairman.

Other Trust staff or advisors from outside the Trust will be required to attend relevant sections of meetings as appropriate.

Agenda

Chairman to agree the agenda.

Frequency

Not less than 6 times per year

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 made by the Committee.

The Committee may act with such authority delegated to it by the Trust Board from time to time.

Key Responsibilities

1 Financial Planning

To consider processes for the preparation and the content of Annual Revenue and Capital Budgets including Cost Improvement Plan.

To test the key financial assumptions and risks.

To review the Trust Annual Budgets and forecasts before submission to the Trust Board.

To monitor financial performance compared with the Annual Budgets and Cost Improvement Plan.

To retrospectively review Business Cases for benefits realisation.

2 Performance Management

To monitor the financial performance of individual Divisions and Directorates. To agree and consider regular management performance reports from individual Divisions and Directorates.

To consider explanations of significant variances/deviations from budget by Divisions and Directorates on a regular basis and to consider proposals for remedial action.

To monitor the key workforce targets of individual Divisions and Directorates.

To consider the financial impact of achieving national access and other performance targets set from time to time by the DOH and others for waiting lists/times, management costs, control of infection etc.

3 Financial Accounting

To consider the likely impact of technical changes to accounting policy or practices.

To consider detailed cash flow and working capital forecasts.

4 Financial Statements

To consider regular financial performance reports and forecasts, focusing particularly on major judgmental areas – risks and assumptions.

To commission and consider various financial reporting and analyses as appropriate.

To consider other topics or matters as directed by the Trust Board.

5 Key responsibilities

Commercial and Business Planning

Assessing the overall scope and effectiveness of the Trust's non clinical risk management systems;

To reviewing the Trust's strategy for the management of business risk (including market and competitive risk; regulatory risk; health, safety and environmental risk; reputation and ethical risk; information governance and security risk; financial risk; workforce risk; and risk to business continuity);

To review progress made in delivering key enabling strategies such as (but not limited to) Workforce, Estates, Marketing, Sustainability and IT raising any significant risks regarding their delivery to the Trust Board, in particular factors externally which may influence the delivery of these Strategies;

To develop the Trust's Investment Policy and ensure this is maintained to fit with best practice

Review in advance of Board submission significant investment proposals.

To appraise the potential financial, commercial, service and other investment opportunities

To Identify and evaluate specific investment and commercial opportunities

To review capital investment proposals within the capital investment programme and monitoring its implementation;

To consider post project evaluation reports on significant capital investments

To develop the Trust's Operating Cash Policy

Reporting

An Outcome Summary shall be produced within 3 days, and submitted to the Trust Board at next meeting. The Minutes shall be recorded and circulated to the Finance & Performance Committee. Copies of the agenda will be provided for all Trust Board members.