

NWL Joint Finance Committee - Terms of Reference

Title:	NWL Joint Finance Committee
Date approved and approving body:	To be considered by the Governance Design Group and the shadow Joint Committee prior to presentation to Governing Bodies for approval.
Purpose:	<p>In line with the agreed Joint Financial Strategy, to provide a forum where:</p> <ul style="list-style-type: none"> • CCGs' performance against the delivery of control totals and objectives set out in the Strategy are considered; • the application of the risk share is overseen and approved; • recommendations to the Joint Committee are developed regarding the use of the investment fund; • CCGs can consider financial matters collectively where those have a bearing across multiple CCGs; • recommendations for consideration by each commissioning body can be worked up and agreed; • financial assurances required to support the Joint Committee's decision-making are tested; • the impact of the work of the Business Planning and Recovery Group is reviewed • decisions are taken on matters delegated explicitly to it by the NW London Governing Bodies; and • all NW London budgets can be overseen collectively. Whilst delegated primary care budgets are generally out with the Committee's remit, exceptional circumstances – for instance where there is a major overspend on a primary care budget which requires CCG baseline money to balance matters – would bring the issue into the Committee's monitoring ambit. <p>Appendix 1 sets out the relevant extracts from the 2018-19 Joint Financial Strategy, as agreed by Governing Bodies in May and July 2018.</p>

<p>Membership:</p>	<p>Executive:</p> <ul style="list-style-type: none"> • Chief Officer • Chief Finance Officer • Managing Director and Chief Operating Officer (or their nominated deputy officer) <p>Non-executive (elected or lay):</p> <ul style="list-style-type: none"> • Chair of each CCG finance committee <p>NOTE If the non-executive members above include fewer than three clinical or three Lay Governing Body members, then additional members will be appointed accordingly as non-executive members so to ensure robust clinical and lay perspectives are available to the Committee. There must be an appropriate number of non-executive members with relevant knowledge of finance and accounting matters.</p>
<p>Chair:</p>	<p>Both Chair and Vice Chair to be drawn from the current set of chairs of finance committees (non-executive).</p>
<p>Voting:</p>	<p>Only the Chief Officer and the non-executive members have votes on matters for agreement. The Chief Officer's vote can be transferred to the Chief Finance Officer at times when the Chief Officer is unable to attend the meeting. Non-executive members may each nominate a deputy to attend a meeting in their place and their vote will be cast by that deputy.</p> <p>For any decision to stand, the vote must be unanimous, including that of the Chief Officer / Chief Finance Officer.</p>
<p>Officers and Advisors (in attendance):</p>	<p>Only members of the committee and CCG Chairs or their nominated deputies have the right to attend committee meetings. However, officers and other individuals, including external advisers, may be invited to attend for all or part of any meeting as and when appropriate and at the discretion of the chair.</p>
<p>Secretary:</p>	<p>Emerging NWL corporate services team</p>
<p>Quorum:</p>	<p>Each CCG Finance Committee Chair plus the Chief Officer OR Chief Finance Officer and any additional lay and clinical members appointed in line with the NOTE under 'Membership'. The non-executive members (including CCG Finance Committee Chairs) must include at least three clinical and three lay members.</p>
<p>Frequency of meetings:</p>	<p>Monthly</p>

<p>Operation of the committee:</p>	<p>The secretary will prepare an agenda for meetings with the chair in the context of an annual plan of business that the secretary shall produce. The secretary will collate papers and circulate papers to those required to be at the meeting usually one week before the meeting but no less than three working days before the meeting. Late papers will not be permitted except in exceptional circumstances and at the discretion of the meeting chair.</p> <p>Minutes will be drafted for approval by the chair and circulated to members within seven days of the meeting.</p>
<p>Conflicts of Interest:</p>	<p>In accordance with the CCG Conflict of Interest policy, all members and attendees have a duty to keep their declaration of interests up to date and to notify the chair in advance of any potential conflicts with specific agenda items, agreeing a handling strategy that may include not attending all or part of the meeting.</p>
<p>Duties (decision making)</p>	<ul style="list-style-type: none"> • Approval of the application of the NW London Risk Share; and • Decisions delegated to it specifically from Governing Bodies. <p>The Committee may consider matters referred to it from other executive and committee fora (for example, the Business Planning Recovery Group) where a NW London view is required. For these to be taken as decisions, specific delegations of authority from Governing Bodies may be required.</p>
<p>Duties (advisory)</p>	<p>The Joint Finance Committee will:</p> <ul style="list-style-type: none"> • make recommendations on the budget limits required in order to meet control totals; • recommend the financial strategy and framework for approval by statutory bodies; • understand cost variation in each of the CCGs and recommend actions to minimise financial impact; and • form an NW London position on the financial impacts of joint procurements and business cases affecting multiple CCGs, advising decision-making bodies accordingly.

<p>Duties (monitoring)</p>	<p>The Joint Finance Committee will:</p> <ul style="list-style-type: none"> • be a forum where the Chief Finance Officer is able to share and discuss the overall position with the CCGs and develop a deeper appreciation of the system requirements alongside the local pressures; • monitor in year performance against budgets and QIPP delivery and make recommendations on remedial action for local implementation. The Committee will consider regular reports from the Business Planning Recovery Group (BPRG) on its work, progress, risks and issues in this regard; • allow each CCG to account for delivery of our respective contributions to agreed business cases and agreed financial framework; • review the impact of any CCGs' variance with their control total, highlighting material variances to the NW London Joint Committee for them to hold CCGs to account; and • oversee the financial management of acute budgets and core mental health budgets.
<p>Accountability:</p>	<p>The Joint Finance Committee is accountable to the CCG Governing Bodies.</p>
<p>Reporting responsibilities:</p>	<p>The Chief Finance Officer shall report to each governing body on proceedings of The Joint Finance Committee and on all matters within its duties and responsibilities. The CFO will report directly on the exercise of any authorities delegated to the Committee by the Governing Body / Bodies. These reports will also be made to meetings of the Joint Committee.</p> <p>Minutes of the Meetings will be made available to Governing Body members.</p> <p>The Chief Finance Officer shall report the Committee's findings on matters of financial assurance to those bodies that have sought it, for instance the NW London Joint Committee, the NW London Conflicts of Interest Management Committee.</p> <p>The Managing Director / Chief Operating Officer (or their nominated clinical representative) of each CCG is responsible for taking issues discussed at this Committee back to their respective CCGs for discussion and or consideration.</p> <p>In instances where an agreed resolution / approach is not possible to reach at the meeting, or where a unanimous decision of the CCGs is required, the Joint Finance Committee will escalate the matter to the NW London CCGs Joint Committee for resolution.</p>

Conduct of committee:	The Committee shall, at least annually, review its own performance, membership and terms of reference. Any resulting changes to the terms of reference should be approved by the eight (8) CCG Governing Bodies.
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Appendix: extract from the 2018-19 Joint Financial Strategy

[Objectives and principles]

CCGs are accountable to each other to ensure the delivery of the sector control total. This means they will:

- Share their financial information transparently
- Actively participate in and deliver all shared QIPP schemes
- If plans are off track, provide assurance to other CCGs that the causes are understood and all appropriate actions are being taken to recover the position
- Take all possible actions to deliver their part of the sector control total

[Financial assurance]

To support the effective implementation of the strategy, and to ensure that it achieves its stated objectives, a clear assurance process will be required. This will need to provide sufficient transparency between CCGs that they can hold each other to account for delivery of their individual positions, and provide clear reporting about the differing elements of the strategy to ensure that they are operating in the ways intended, including the risk share and the investment fund. It is proposed that a NWL finance committee is established for this purpose, and that the finance committee provides assurance back to individual governing bodies. The finance committee can also use the joint committee as an escalation route where a decision is required across multiple CCGs to ensure the delivery of the objectives of the strategy and the sector control total. As the AO and CFO are shared across the 8 CCGs, they will be held accountable by the finance committee for:

- ensuring full transparency of information between CCGs
- ensuring that they act in a way that is not detrimental to any one CCG when taking decisions in the context of a different CCG
- bringing to the committee's attention any decisions or actions that create conflict between their responsibilities to different CCGs to enable a full debate about how to resolve that conflict.

Recommendation 7:

- The governing body agrees the application of the 2018/19 financial strategy based on the attached paper.
- The governing body is asked to agree to establish a NWL finance committee with the remit to:
 - hold individual CCGs accountable to each other for the delivery of the sector control total and the objectives set out in this strategy
 - provide clear reporting about the differing elements of the strategy

- to oversee and approve the application of the risk share set out in section 2
- to recommend to the joint committee how the investment fund should be spent, based on detailed review of proposed business cases.

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