

**NHS 24  
FINANCE & PERFORMANCE COMMITTEE**

**27 AUGUST 2014  
FOR APPROVAL  
ITEM NO. 3.1**

**FINANCE & PERFORMANCE COMMITTEE**

This paper presents the terms of reference and rationale for the introduction of a Finance and Performance Governance Committee of the Board.

**Executive Lead: Director of Finance**

**1. BACKGROUND**

- 1.1 Given the economic outlook nationally it is pertinent to ensure every public sector organisation carries out the required level of scrutiny expected in relation to financial and performance governance.

**2. PURPOSE OF A FINANCE AND PERFORMANCE COMMITTEE**

- 2.1 Decisions on the Local Delivery Plan (LDP), business cases and variations from planned activity are currently presented and reviewed by the Executive Team then presented to the Board for consideration and approval. This is in line with the delegated limits set out in the NHS 24 Corporate Governance Manual Section 4: Reservations of Powers to the Board – Schedule of Retained Decisions.
- 2.2 This paper proposes to enhance scrutiny through a formal governance committee process where decisions which impact on the performance of the Board are further reviewed.
- 2.3 Whilst the detailed scrutiny of financial and operational performance can be delegated to a committee it must be managed appropriately to ensure that it does not generate the risks that the full Board are not aware of significant issues or risks; that Non-Executive Directors are drawn into too much operational detail; and that decision making is unnecessarily delayed.
- 2.4 The key to good financial and performance governance is striking the right balance across the risks areas detailed in section 2.3. The Finance and Performance Committee will manage these risks and evidence that through a formal report back to the Board on the key issues being discussed at the Committee. Also the relevant planning, reports and business cases considered will continue to be presented to the Board having gone through this layer of scrutiny which will now include Non-Executive review.
- 2.5 The introduction of this Committee will also provide a formal route for the promotion of best value in the application of resources and ensure that consideration of benefits realisation informs decision making.

**3. REMIT**

- 3.1 The remit for this Committee is significant and it will be important therefore to schedule the work in a way which ensures that the appropriate areas are prioritised for review, particularly in the first 12 months of operation.
- 3.2 The draft terms of reference are located at Annex 1.

**4. RECOMMENDATION**

- 4.1 The Finance & Performance Committee is asked to review and approve the terms of reference for this Committee.

**FINANCE & PERFORMANCE COMMITTEE  
DRAFT TERMS OF REFERENCE**

**1. Introduction**

- 1.1 The Finance & Performance Committee is identified as a Committee of the NHS 24 Board. The approved terms of reference and information on the composition and frequency of the Committee will be considered as part of the Standing Orders.
- 1.2 The Committee will be known as the Finance & Performance Committee and will be a Standing Committee of the Board.

**2. Remit**

- 2.1 To provide assurance to the NHS 24 Board that systems and procedures are in place to monitor, manage and improve overall performance and ensure best value is achieved from resource allocation.

**3. Committee Membership**

- 3.1 The Committee shall be established by the full NHS 24 Board and be composed of 4 Non-Executive Members, with the Chief Executive and the Executive Director of Finance in attendance at every meeting and other Executive Directors attending as appropriate. The NHS 24 Board Chairman will appoint the Chair and members of the Committee.
- 3.2 Committee membership will be reviewed at least annually.

**4. Quorum**

- 4.1 Three Non-Executive members will constitute a quorum. The Director of Finance should be present at all meetings.

**5. Attendance**

- 5.1 The Committee may co-opt additional advisors as required.

**6. Frequency of Meetings**

- 6.1 The Committee will normally meet quarterly.
- 6.2 The Chairperson may convene additional meetings of the Committee.

**7. Authority**

- 7.1 The Committee is authorised to investigate any matters, which fall within its Terms of Reference and obtain external professional advice.

- 7.2 The Committee is authorised to seek and obtain any information it requires from any employee, whilst taking account of policy and legal rights and responsibilities.
- 7.3 The Committee will have the authority to require the attendance of any employee of NHS 24, as may be required.

## **8. Duties**

- 8.1 Ensure that systems and procedures are in place to monitor, manage and improve performance, across the whole system, and liaise appropriately with relevant Governance Committees (Staff, Clinical and Audit).
- 8.2 Consider financial plans, approve annual budget proposals and review financial reporting on a continuous basis.
- 8.3 Consider and review the Corporate Plan including business cases for Additional Services and Horizon Scanning.
- 8.4 Deliver the scrutiny of business cases for submission to the NHS 24 Board and the SGH&SCD with specific focus on the benefits realisation ambitions from these developments.
- 8.5 Support the development of performance management systems and reporting across NHS 24.
- 8.6 Promote efficiency and productivity opportunities arising from the continuous development and redesign of existing services and the development of new services.
- 8.7 Provide oversight and scrutiny of the work with the European Commission and other national and international programmes. To ensure that this work integrates with the overall strategy of the Board, generates opportunities for Telehealth and Telecare interventions for NHS Scotland, and supports the integration of Health and Social Care through enabling new care pathways to emerge.
- 8.8 To monitor and review risks falling within the remit of this committee.

## **9. Conduct of Meetings**

- 9.1 Meetings of the Committee will be called by the Committee Chair.
- 9.2 The agenda and supporting papers will be sent to members at least five working days before the date of the meeting.

## **10. Reporting**

- 10.1 Minutes will be kept of the proceedings of the Committee. These will be circulated, in draft normally within five working days to the Chair of the Committee and within five working days thereafter to members, prior to consideration at a subsequent meeting of the Committee.

- 10.2 The Chair of Committee shall provide assurance on the work of the Committee and the draft minutes will be submitted to the NHS 24 Board meeting for information.
- 10.3 Items requiring urgent attention by the NHS 24 Board can be raised at any time at NHS 24 Board Meetings, subject to the approval of the Chair.