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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board

Performance and Finance Committee Terms of Reference



1. INTRODUCTION

The Swansea Bay University Local Health Board (the health board) standing orders provide that “*The board may and, where directed by the Welsh Government must, appoint committees of the health board either to undertake specific functions on the board’s behalf or to provide advice and assurance to the board in the exercise of its functions. The board’s commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees*”.

In line with standing orders (and the health board’s scheme of delegation), the board shall nominate a committee to be known as the **Performance and Finance Committee**. The detailed terms of reference and operating arrangements set by the board in respect of this committee are set out below.

2. CONSTITUTION AND PURPOSE

The board has resolved to establish a Performance and Finance Committee which will allow appropriate scrutiny and review to a level of detail not possible in board meetings in respect of performance relating to:

- financial planning and monitoring, including delivery of savings programmes;
- activity and productivity including operation efficiency and effectiveness; and

The committee will provide:

- evidence-based and timely advice to the board to assist it in discharging its functions and meeting its responsibilities with regard to agreed elements of financial and non-financial performance management and delivery arrangements, identifying risks and opportunities and ensuring these are managed; and
- assurance to the board in relation to the arrangements for developing and improving its financial and non-financial performance management arrangements to ensure the organisational aims and objectives are achieved. In doing this it will seek assurance from executives and others that appropriate actions are in place to improve performance.

It will also ensure that evidence-based and timely interventions are implemented to drive forward improved performance thereby allowing the health board to achieve the requirements and standards determined for NHS Wales and as outlined within the health board’s annual plan.

3. SCOPE AND DUTIES

Role and Responsibilities of the Performance and Finance Committee

The Performance and Finance Committee will seek assurance that the health board is making effective use of resources. For example:

- That services are run efficiently and effectively without wastage of time or materials;



- That operational and IMTP (integrated medium term plan – three-year plan) objectives and trajectories are met at both health board level and within service groups;
- That the workforce is effectively deployed for maximum effect to ensure the contribution to patient care is maximised within available resources;
- That finances are managed in a prudent way and that financial targets are met, including value for money targets;
- That sufficient digital plans are in place for service developments

To achieve this, the committee’s programme of work will be designed to ensure that:

- there is clear, consistent strategic direction, strong leadership and transparent lines of accountability;
- risks are actively identified and robustly managed at all levels of the organisation;
- organisational decisions are based upon valid, accurate, complete and timely data and information; and
- there is ongoing benchmarking to ensure that our performance is continually assessed against best performing health organisations

Sub-Committees

The committee may, subject to the approval of the board, establish sub-committees or task and finish groups to carry out on its behalf specific aspects of committee business.

4. AUTHORITY

The committee is authorised by the board to investigate or have investigated any activity within its terms of reference. In doing so, the committee shall have the right to inspect any books, records or documents of the health board relevant to the committee’s remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek any relevant information from any:

- employee (and all employees are directed to cooperate with any reasonable request made by the committee); and
- other committee, sub-committee or group set up by the board to assist it in the delivery of its functions.

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 it necessary, in accordance with the board’s procurement, budgetary and other requirements.



5. ACCESS

The head of internal audit shall have unrestricted and confidential access to the chair of the Performance and Finance Committee.

The chair of the Performance and Finance Committee shall have reasonable access to executive directors and other relevant senior staff.

6. MEMBERSHIP

The committee shall comprise three non-officer members of the board. It may also co-opt additional independent “external” members from outside the organisation to provide specialist skills, knowledge and expertise. Executive directors with responsibility for performance and finance should also be members and attend each meeting. Executives, including Director of Strategy, Chief Operating Officer (or deputy) and Director of Corporate Governance will be “in attendance” at the meetings. The Chief Executive and other executive directors will attend as required by the committee chair

Executive Director	Membership	Frequency of Attendance
Director of Finance and Performance	Member	Every meeting
Chief Operating Officer	Member	Every meeting
Director of Workforce and OD	Member	Quarterly
Director of Digital	In attendance	Quarterly
Director of Corporate Governance	In attendance	Every Meeting
Director of Strategy	In attendance	Quarterly
Executive Medical Director	Member	TBC

The membership of the committee shall be determined by the board, based on the recommendation of the Chair, and subject to any specific requirements or directions made by the Welsh Government.

The Chairman and Chief Executive will attend meetings at their discretion and the Director of Corporate Governance will routinely attend meetings, ensuring governance support and advice is available to the committee chair.

The committee chair may invite other executive directors or health board officials to attend all or part of a meeting to assist it with its discussions on any particular matter (except when issues relating to their personal remuneration and terms and conditions are being discussed).

7. COMMITTEE MEETINGS

Quorum

At least three members must be present to ensure the quorum of the committee, two of whom must be independent members. To ensure meetings are quorate, the chair can invite other independent members to attend.



Chair

An independent member shall chair the committee.

Secretariat

The Director of Corporate Governance/Board Secretary will determine the secretarial and support arrangements for the committee.

Frequency of Meetings

Meetings shall be held on a monthly basis.

Committee Meetings

A standard agenda must be used as the basis for discussion at each meeting. Minutes prepared following a meeting shall be circulated to members and retained by the Director of Corporate Governance as formal record of the decision making for a period of seven years.

Withdrawal of individuals in attendance

The committee may ask any member or individual who is normally in attendance but who is not a member to withdraw to facilitate open and frank discussion of any particular matter.

The director of corporate governance/board secretary, on behalf of the committee chair, shall:

- arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
- ensure the provision of a programme of organisational development for committee members as part of the health board's overall organisational development programme developed by the Director of Workforce and Organisational Development.

8. RELATIONSHIP AND ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS

Although the board has delegated authority to the committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability in relation to its role as corporate trustee.

The committee is directly accountable to the board for its performance in exercising the functions set out in these terms of reference. Through its chair and members, it will work closely with the board's other committees and groups to provide advice and assurance to the board through the

- joint planning and co-ordination of board and committee business; and
- sharing of information.

In doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the board's overall risk



and assurance framework. This will be achieved primarily through the Audit Committee.

The committee shall embed the health board's corporate standards, priorities and requirements, for example equality, diversity and human rights, through the conduct of its business.

9. REPORTING AND ASSURANCE ARRANGEMENTS

The committee chair shall:

- report formally and on a timely basis to the board on the committee's activities, in a manner agreed by the board. This includes verbal updates on activity and written reports, as well as the presentation of an annual report;
- bring to the board's specific attention any significant matter under consideration by the committee;
- ensure appropriate escalation arrangements are in place to alert the health board Chair, Chief Executive or chairs of other committee of any urgent or critical matters that may affect the operation and reputation of the health board;
- act in a structured way to escalate appropriate issues through the following stages:
 - **Stage 1** – Discussion, Review and Scrutiny. This is the Committee's everyday practice. In this stage the Chair of the committee will make known any concerns to the Chief Executive who will ensure that there is clear accountability and delivery by the Executive Team.
 - **Stage 2** – Recovery Plan. The Committee requires the responsible Director to set out a plan and a profile to recover the performance and hit the target.
 - **Stage 3** – If the Recovery Plan is not delivered to target or the profile is missed, the Committee will require the Director to attend each meeting and account for the management of the issue until it is resolved. At this stage the Chair of the Committee will raise the concerns directly to the Chief Executive.
 - **Stage 4** – Continued poor performance will be formally referred to the Chairman and Chief Executive in order that the matter becomes a Board issue.

The Director of Corporate Governance, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the committee's performance and operation, including that of any sub-committees established.

The committee shall provide a written annual report to the board on its activities, which will also record the results of the committee's self assessment and evaluation.



10. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

The requirements for the conduct of business as set out in the health board's standing orders are equally applicable to the operation of the committee, except in the following areas:

- quorum;
- Distribution of papers
- notice of meetings;
- notifying the public of meetings; and
- admission of the public, the press and other observers.

11. REVIEW

These terms of reference and operating arrangements shall be reviewed at least annually.

