

BARTS AND THE LONDON NHS TRUST**FINANCE AND INVESTMENT COMMITTEE****TERMS OF REFERENCE****1. Authority**

- 1.1 The Finance and Investment Committee is constituted as a standing committee of the Trust Board. Its constitution and terms of reference are set out below and can only be amended with the approval of the Trust Board.
- 1.2 The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Trust and all employees are directed to cooperate with any request made by the Committee.
- 1.3 The Committee is authorised by the Trust Board to secure the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary.

2. Purpose

- 2.1 The Finance and Investment Committee shall undertake on behalf of the Trust Board objective scrutiny of the Trust's financial plans, investment policy and major investment decisions. The Committee will review the Trust's monthly financial performance and identify the key issues requiring discussion or decision by the Trust Board. Additionally, the Board may request that the Committee reviews specific aspects of financial performance where the Board requires additional scrutiny and assurance.

3. Membership

- 3.1 The Committee shall be appointed by the Trust Board and be composed of:
- Non Executive Director lead for finance
 - Three additional Non Executive members of the Trust Board (to be agreed from time to time by the Board)
 - Chief Executive
 - Chief Financial Officer
 - Chief Operating Officer
- 3.2 One Non Executive member of the Board will be appointed as the Chair of the Committee by the Trust Board.

- 3.3 A quorum shall be three members, at least two of whom should be Non Executive members of the Trust Board.
- 3.4 Members should make every effort to attend all meetings of the Committee and will be required to provide an explanation to the Chair of the Committee if they fail to attend more than two meetings in a calendar year. If a member fails to attend more than two meetings in a calendar year the Chair of the Committee will consider the appropriate action to be taken, including the option of recommending to the Trust Board the removal of the member from the Committee. The Committee Secretary will monitor attendance by members and report this to the Chair of the Committee on a regular basis.

4. Attendance

- 4.1 All other Non Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee. Executive Directors shall be invited to attend for specific agenda items as appropriate.
- 4.2 The Committee may invite other Trust staff to attend its meetings for specific agenda items as appropriate.
- 4.3 The Director of Corporate Services will ensure that the Trust Office provides a Secretary to the Committee and appropriate support to the Chair and committee members. This shall include agreement of the agenda with the Chair and the Chief Financial Officer, collation of papers, taking the minutes and keeping a record of matters arising and issues to be carried forward and advising the Committee on pertinent areas.

5. Frequency of meetings

- 5.1 Meetings will *normally* be held monthly. Additional meetings may be arranged to discuss specific issues but any such meetings should be infrequent and exceptional.

6. Reporting

- 6.1 The Chair of the Finance and Investment Committee will provide an oral report to the Trust Board after each meeting, highlighting key issues arising from the monthly finance report for discussion and any other items requiring decision. The approved minutes of the Committee's meetings will be circulated to all Trust Board members for information. The Chair of the Committee will draw to the attention of the Board any issues that require disclosure to the full Board, including those that affect the financial standing of the Trust or require executive action.

7. Review

- 7.1 The terms of reference shall be reviewed by the Finance and Investment Committee and approved by the Trust Board at least annually.

8. Duties

- 8.1 Scrutinise the development of the Trust's annual plan and long term financial strategy and plans (including both revenue and capital plans), including the underlying assumptions and methodology used, ahead of review and approval by the Trust Board.
- 8.2 Review at the request of the Trust Board specific aspects of financial performance where the Board requires additional scrutiny and assurance, while recognising that the primary ownership and accountability for the Trust's financial performance rests with the full Trust Board.
- 8.3 Scrutinise on behalf of the Trust Board the robustness of the monthly Cost Improvement Plan performance and review of key risks to the achievement of current and future years' Cost Improvement Plans. Conduct an annual review of service line reporting and discuss any issues relating to investment or disinvestment in services.
- 8.4 Approve and keep under review, on behalf of the Trust Board, the Trust's investment and borrowing strategy and policies.
- 8.5 Evaluate, scrutinise and approve the financial validity of individual investment decisions, including through the review of Outline and Final Business Cases. Business cases will usually be referred to the Committee following initial review by the executive Investment Viability Group (formerly known as the Capital Programme Group) with input from the Clinical Procurement Group as appropriate. The following investment decisions shall be subject to review by the Committee:
- All capital schemes (including leased assets and property) with an investment value in excess of £1 million.
 - All revenue investment proposals with a cost implication in excess of £3 million over three years [or the equivalent for New Hospitals service variations in line with the Scheme of Delegation set out in Standing Financial Instructions].
 - All proposed asset disposals where the value of the asset exceeds £1 million.
- 8.6 Review post-implementation investment audits undertaken by or on behalf of the Trust. These should be carried out 12 months after business case approval.
- 8.7 Review the Trust's Standing Financial Instructions and monitor compliance with treasury policies and procedures.

- 8.8 Approve the establishment of any joint ventures or other commercial partnerships including the incorporation of start-up companies. Make recommendations to the Trust Board in relation to any due diligence, warranties, assignments, investment agreements, etc. related to joint ventures, commercial partnerships or incorporation of start-up companies.
- 8.9 Examine any matter referred to the Committee by the Trust Board.

Version history:

Reviewed by Finance and Investment Committee: 25 March 2009, 20 September 2010, 28 September 2011

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