

## Annual Report & Effectiveness Review – Investment Committee

### Introduction

1. The Investment Committee receive assurance and agree recommendations on business cases for activities related to NHS England’s functions, on behalf of the Board. The Committee make decisions on reconfiguration and service change proposals requiring Board sign-off (in accordance with delegated powers) and oversee the assurance of reconfigurations.

### Meetings of Committee

2. During this period, the Committee met on six occasions. In addition, it carried out its function by correspondence in April, May, September and December 2017.
3. Investment Committee membership is noted below.

Dame Moira Gibb	Non-executive Director (Chair)
Wendy Becker	Non-executive Director
Paul Baumann	Chief Financial Officer and National Director: Finance, Commercial and Specialised Commissioning Group
Matthew Swindells	National Director: Operations and Information
Ian Dodge	National Director: Strategy and Innovation

4. A summary of members’ attendance is given at annex 1.

### Sub-committee/groups

5. During 2017/18 the Committee have received a regular update from the Oversight Group for Service Change and Reconfiguration (OGSCR) and have reviewed a pipeline of service change and reconfiguration proposals.

### Delivery of work programme

6. During the period of this report, the Committee have:
  - Approved investment cases for use of the transformation fund across priority areas such as Mental Health and Diabetes, and agreed allocations to Integrated Care Systems (ICSs)
  - Approved a number of business cases for revenue or capital expenditure, including programmes such as Academic Health Science Networks (AHSNs), and NHS 111 services.
  - Reviewed the pipeline of service change and reconfiguration proposals presented by the OGSCR and reviewed a number of reconfiguration proposals in advance of consultation, assessing quality and financial implications and ensuring compliance with applicable national guidance, legislation and best practice.

## **Work programme for 2018/2019**

7. In 2018/19, the Investment Committee will continue to scrutinise and approve expenditure relating to NHS England functions within limits set in the SFIs. In particular, the Committee will support transformation by approving investments and continuing to oversee the assurance of service change and reconfiguration proposals from STPs.

## **Review of Terms of Reference**

8. The terms of reference for the committee have been reviewed and updated to reflect amendments to the OGSCR terms of reference.
9. Proposed revised terms of reference are attached at annex 2 for approval. The changes are in the Duties and Delegated Authority section and relate to the conditions in which the Investment Committee should review the assurance conclusions and take decisions on schemes. This has been agreed and approved by the Investment Committee.

## **Review of effectiveness**

10. During 2017/18 the Committee commissioned an independent review into its effectiveness and discussed the findings at a meeting in March 2018.
11. The Committee noted the findings of the review and noted ongoing work to align governance with NHS Improvement which militated against making substantial changes at this point. The Committee agreed to give thought to areas of its work which would not fit easily in any new joint arrangements.

## **Assurance Statement**

12. As Chair, I confirm that the Investment Committee has reviewed its business over 2017-18 and met its delegated duties. There are no significant issues of concern for the Board in this Annual Report.

## **Recommendations**

13. The Board is asked to:
  - Note the report;
  - Take assurance from the Committee with regard to delivery of the work programme; and
  - Endorse the revised terms of reference (in annex 2)

**Dame Moira Gibb**  
**Chair, Investment Committee**

## Summary of members' attendance for the period 1 April 2017 to 31 March 2018

Key	
Attended	X
Apologies	A

Member	April 2017	May 2017	18 July 2017	6 Sept 2017	4 Oct 2017	3 Nov 2017	Dec 2017	18 Jan 2018	28 Feb 2018	20 Mar 2018
Moira Gibb (chair)	By correspondence	By correspondence	X	By correspondence	X	X	By correspondence	X	X	X
Paul Baumann			X		X	A		X	X	
Ian Dodge			X		X	X		X	X	
Wendy Becker			X		X	X		X	X	
Matthew Swindells			X		A	X		X	X	

# Terms of reference

## Investment Committee (IC)

<b>Document filename: Terms of reference, Investment Committee (IC)</b>			
<b>Directorate / programme</b>	Finance	<b>Status</b>	Draft
<b>Owner</b>	Moira Gibb	<b>Version</b>	2.2
<b>Author</b>	Doug Siebert	<b>Version issue date</b>	[Publish Date]

## Document management

### Revision history

Version	Date	Summary of changes
1.1	July 2015	Review of IC Terms of Reference following changes to membership
1.2	Oct 2015	Update to Terms of Reference following changes to IC responsibilities following the establishment of the Commissioning Committee (CC)
1.3	Apr 2016	Review of IC Terms of Reference for submission to May NHS England Board
1.4	Jan 2017	Update to Terms of Reference by Doug Siebert, Chief of Staff, Finance Directorate, NHS England
1.5	Jan 2017	Updates by Doug Siebert, Chief of Staff, Finance Directorate, NHS England ahead of submission to 25 <sup>th</sup> January Investment Committee
2.0	April 2017	Updates noted above ratified by NHS England Board
2.1	March 2018	Update following the publication of the OGSCR guidance
2.2	April 2018	

### Reviewers

This document must be reviewed by the following people:

Reviewer name	Title/responsibility	Date	Version
Moira Gibb	Chair	25/01/2017	2.2
IC membership	IC members	25/01/2017	2.2

### **Approved by**

This document must be approved by the following people:

Name	Title	Date	Version
Moira Gibb	Chair and non-Executive Director	25/01/2017	2.2
Paul Baumann	Chief Financial Officer	25/01/2017	2.2
NHS England Board			

### **Document control**

The controlled copy of this document is maintained by NHS England. Any copies of this document held outside of that area, in whatever format (e.g. paper, email attachment), are considered to have passed out of control and should be checked for currency and validity.

## Contents

<b>1</b>	<b>Purpose .....</b>	<b>7</b>
<b>2</b>	<b>Duties .....</b>	<b>7</b>
<b>3</b>	<b>Accountability.....</b>	<b>8</b>
<b>4</b>	<b>Reporting .....</b>	<b>8</b>
<b>5</b>	<b>Membership .....</b>	<b>8</b>
<b>6</b>	<b>Quorum .....</b>	<b>9</b>
<b>7</b>	<b>Frequency of meeting .....</b>	<b>9</b>
<b>8</b>	<b>Effectiveness .....</b>	<b>9</b>

## Purpose

The NHS England Board established the Investment Committee (IC) in 2013 (formerly known as the Finance and Investment Committee). The first meeting was held June 2013. The IC is a non-executive committee and has no delegated authority other than that specified in these Terms of Reference. The IC is a permanent Board committee.

The IC scrutinises and approves expenditure on activities relating to NHS England functions, as set out in the NHS Act 2006 (as amended) and the Health and Social Care Act 2012, within limits set in Standing Financial Instructions and defined in the 'Duties and delegated authority' section below, reporting to the Board as appropriate.

The IC receives assurance and agrees recommendations on business cases for activities related to NHS England's functions, on behalf of the NHS England Board.

The IC also oversees the assurance of reconfigurations and has delegated powers to make decisions on those requiring Board sign-off. The IC has the power to confirm which business cases (including for reconfigurations) meet criteria for agreement at officer level (subject to the required assurance and compliance with the Scheme of Delegation), and keep this under review as schemes progress, and will be supported in this task by advice from the Oversight Group for Service Change and Reconfiguration (OGSCR).

## Duties and Delegated Authority

The IC has the following delegated authority:

- The authority to approve expenditure on activities relating to NHS England's functions, as set out in the NHS Act 2006 (as amended), and the Health and Social Care Act 2012, within limits set in Standing Financial Instructions, in the following categories:
  - Capital expenditure across the commissioning sector, including capital budget setting;
  - Revenue contracts that will be accounted for as capital expenditure across the commissioning sector;
  - Private finance initiative contracts expenditure across the commissioning sector;
  - NHS England non-clinical and non-pay expenditure;
  - NHS England income generation;
  - NHS England leases, grant funding arrangements or managed service agreements whether accounted as revenue or capital; and
  - NHS England expenditure to be financed by borrowing however sourced.
- In addition, the IC also reviews and assesses the business cases for service reconfiguration proposals and receives assurance that business cases are robustly assessed for their service, quality and financial implications, including compliance with applicable national guidance, legislation and best practice. The IC has delegated powers to make decisions on those requiring Board sign-off and should

review the assurance conclusions and take decisions for all schemes where one of the following conditions applies:

- Requires transition or transaction support of more than £20m from NHS England funds (not including CCG funds);
  - The total turnover of the affected services (for all sites impacted by the transition, at current prices) is above £500m in any one year;
  - The likely capital value of the scheme is above £100m (gross capital value of the scheme, even if the actual value is lower because it is funded through capital receipts)
  - The proposed service change impacts on any NHS Trust or NHS Foundation Trust that is in tier 4 of NHS Improvement's Single Oversight Framework;
- The IC has the following limits for non-clinical non-pay commitments:
    - Commitments with NHS Bodies from £5,000,001 up to £15,000,000 ; and
    - Commitments with non-NHS Bodies from £3,000,001 up to £10,000,000.
  - The IC has the following limits for capital commitments:
    - Capital commitments from £20m-£35m.
  - The IC approves business cases (as above) on behalf of the Board in the context of NHS England's agreed budget and within the delegated limits approved by the Board as part of the scheme of delegation or recommending business cases above delegated limits to the Board for approval.

## **Accountability**

The IC is accountable to the NHS England Board.

## **Reporting**

The IC reports to the NHS England Board and provides an update on the work of the committee to inform each meeting of the Board.

The Chair presents a written report to the next Board after each meeting, detailing:

- Attendance at the meeting;
- The matters considered by the meeting;
- The conclusions drawn and/or actions agreed;
- The exercise of any delegated authority;
- Any matters the meeting specifically wished to draw to the attention of the Board.

## **Membership**

Members are appointed by the Board.

- Chair:
  - A Non-executive Director Member



- In the absence of the Chair another Non-executive Member who is a member of the Committee.
- Other Members:
  - At least one other Non-executive Director Member
  - NHS England Chief Financial Officer (as the executive lead)
  - NHS England National Director: Commissioning Strategy
  - NHS England National Director: Operations and Information.
- In Attendance (not members and no voting rights):
  - Secretariat - NHS England, Finance Chief of Staff
  - NHS England, Director of Strategic Finance
  - NHS England, Director of NHS Operations and Delivery

The Chair of the Board of NHS England reserves and exercises the right to attend any or all meetings of this Committee.

The Chief Executive and other National Directors may be invited to attend when the Committee is discussing areas or business cases that are the responsibility of that Director. The Committee may invite other officers to attend the meetings as appropriate to the subject matter.

Members will aim to attend 100% of meetings. Attendance below 50% on a rolling basis will be highlighted to the NHS England Board.

## **Quorum**

The meeting will be quorate if one non-executive member and one National Director are attending in person, via teleconference or via videoconference.

## **Frequency of Meeting**

The IC will consider the frequency and timing of meetings needed to allow it to discharge all of its responsibilities.

## **Effectiveness**

The effectiveness of the IC in meeting its Terms of Reference will be measured by the preparation of an Annual Report detailing:

- Attendance by individual members; and,
- The delivery of the Committee Terms of Reference by reference to:
  - The matters considered by the Committee through the year and whether these occurred in line with the Committee's work Programme;
  - The conclusions drawn and/or actions agreed;
  - The exercise of any delegated authority in the year; and,
  - The matters the IC specifically drew to the attention of the Board during the year.