

# Joint Finance Advisory Group Terms of Reference

Approved by Boards on 14 May 2021

## 1. Purpose

- 1.1 The Boards of NHS England and NHS Improvement (which consists of the Boards of Monitor and the NHS Trust Development Authority) have established an advisory forum known as the Joint Finance Advisory Group (the Group) to support the discharge of each organisation's respective duties and powers and their combined responsibilities by:
  - 1.1.1 supporting oversight of the financial position across the wider NHS, including both the provider and commissioner sectors. This will include ongoing scrutiny of the delivery of system wide efficiency savings;
  - 1.1.2 scrutinising system-wide investment cases;
  - 1.1.3 providing advice on the development of the future financial architecture of the NHS, including design of capital regime and changes to the approach to pricing;
  - 1.1.4 oversee implementation of NHS England/NHS Improvement's national productivity programme; and
  - 1.1.5 advising on any other financial matters escalated to the Group.

## 2. Composition

### Membership

- 2.1 Members of the Group are appointed by the Boards and will be made up of:
  - 2.1.1 Non-Executive Directors (NEDs) from NHS England and NHS Improvement;
  - 2.1.2 Chair of NHS England;
  - 2.1.3 Chair of NHS Improvement;
  - 2.1.4 Chief Executive Officer;
  - 2.1.5 Chief Financial Officer; and
  - 2.1.6 Chief Operating Officer
- 2.2 In addition to the members above, the following will be regular attendees at Group meetings:
  - 2.2.1 The Non-Executive Chair of South East London Integrated Care System;
  - 2.2.2 Director of Operational Finance and Performance;
  - 2.2.3 Director of Strategic Finance; and
  - 2.2.4 Senior Advisor, Chief Executive's Office
- 2.3 Others may attend as relevant to the items being considered or at the invitation of the Chair.
- 2.4 The Chair may ask any person in attendance but not a member of the Group to withdraw from a meeting to facilitate open and frank discussion on a particular matter.

## **Group Chair**

- 2.5 The Group will be chaired by one of the Non-Executive Directors. In the absence of the nominated Chair, another Non-Executive Director will chair the meeting.

## **Secretary**

- 2.6 The Head of Governance or their nominee will act as the secretary to the Group.

## **3. Meeting arrangements**

### **Attendance**

- 3.1 Members of the Group are expected to attend meetings wherever possible; however, if a member of the Group is unable to attend a meeting they may appoint another member of their team to deputise on their behalf. Deputies will have the same rights and responsibilities as Group members.
- 3.2 The Chair may ask any person in attendance who is not a member of the Group to withdraw from a meeting to facilitate open and frank discussion of a particular matter.

### **Meetings**

- 3.3 The Group will meet quarterly (including by telephone or video conferencing) or as determined by the Chair. Any member of the Group can ask for a meeting to be convened in person, by video-conference or by telephone, or for a matter to be considered in correspondence.
- 3.4 The quorum for meetings is one third of all members, including the Chair or their nominated deputy. No more than two deputies shall count towards the quorum. A duly convened meeting of the Group at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Group.
- 3.5 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda and supporting papers shall be circulated to each member of the Group and any other person required to attend, no later than five working days before the date of the meeting.
- 3.6 The secretary will minute the proceedings of all meetings of the Group, including recording the names of those present and in attendance.
- 3.7 Draft minutes will be sent to the Chair within four business days of the meeting and submitted for formal approval at the next meeting.
- 3.8 Except as outlined above, meetings for the Group shall be conducted in accordance with the relevant provisions of NHS Improvement's Rules of Procedure and NHS England's Standing Orders.

## **4. Declarations of Interest**

- 4.1 All members and attendees of the Group must declare any relevant personal, non-personal, pecuniary or potential interests at the commencement of any meeting. The Chair of the Group will determine if there is a conflict of interest such that the member and/or attendee will be required not to participate in a discussion.
- 4.2 Any member at any time is entitled to ask the Chair whether an item of business should be discussed outside of a meeting for any reason, including where in the member's view it may create a conflict between the powers or duties of NHS England and NHS Improvement
- 4.3 The Governance team can provide advice on reporting Declarations of Interests.

## **5. Duties**

- 5.1 The Group will:
  - 5.1.1 ensure oversight of NHS financial performance, focusing on oversight of the delivery of system-wide efficiency savings;
  - 5.1.2 provide advice on the development of the future financial architecture of the NHS, including design of capital regime and changes to approach to pricing;
  - 5.1.3 ensure scrutiny of STP/ICS investment cases, including those involving service change and reconfiguration. Capital investment of this nature of more than £100m will automatically be referred to the Group for discussion, with other investment referred by exception, prior to any recommendation being submitted for formal consideration through established Governance arrangements;
  - 5.1.4 monitor delivery of the operational productivity and cash savings delivered for the NHS through each workstream of the NHS Productivity Programme. Recommendations on material changes to the implementation approach and/or programme structure will be escalated to the NHS England and NHS Improvement Boards if required; and
  - 5.1.5 advice on other matters relating to material financial issues across the NHS.
- 5.2 The Group will discuss any matter which any member of the Group believes to be of such importance that it should be brought to the attention of the Group.

## **6. Reporting responsibilities**

- 6.1 The Group's Chair will report formally to the Boards, in private session, on its proceedings after each meeting.
- 6.2 The Group will make whatever recommendations to the Boards it deems appropriate in any area within its remit where action or improvement is required.

## **7. Other matters**

The Group will:

- 7.1 have access to sufficient resources to carry out its duties, including access to the Governance team for assistance as required;
- 7.2 consider any other matters where requested to do so by the Boards; and
- 7.3 review on an annual basis its own performance and terms of reference to ensure that it is operating effectively as part of the Board's effectiveness review.

## **8. Authority**

- 8.1 The Group is authorised to seek any information it requires, or request attendance at a meeting, from any employee of NHS Improvement or NHS England in order to perform its duties.
- .