

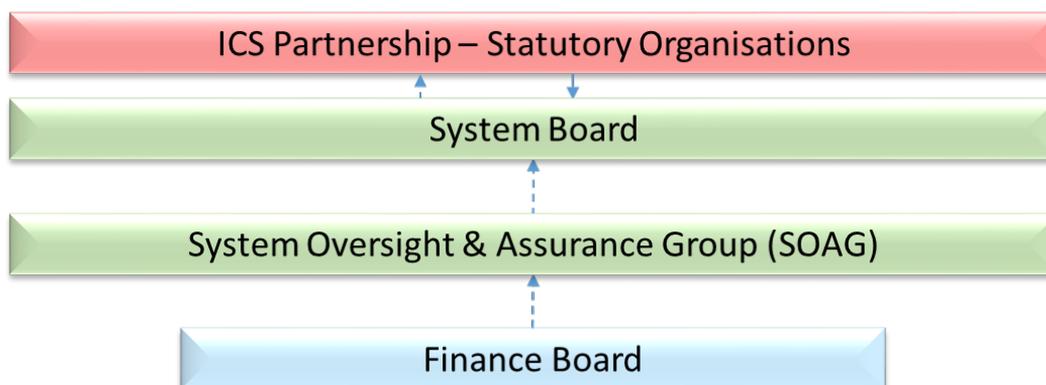
Surrey Heartlands Health & Care Partnership

Finance Assurance and Strategy Board

Terms of Reference

Approved: June 2019

Next review due: June 2020



1. Background and Context - Surrey Heartlands Health and Care Partnership

- 1.1. NHS England planning guidance released in December 2015 set out a requirement for local areas to develop a shared five-year Sustainability and Transformation Plan, articulating how organisations in these areas would work together over the next five years to close the finance, care and quality, and health and well-being gaps. These developed into Sustainability and Transformation Partnerships (STPs) to deliver those plans, with mature systems becoming Integrated Care Systems (ICS).
- 1.2. Surrey Heartlands serves 850,000 people within the areas of Guildford and Waverley, North West Surrey and Surrey Downs and accounts for around three quarters of the overall Surrey population. Surrey Heartlands has a combined health revenue allocation of over £1bn and combined social care and public health budget of £294m. Compared to national distribution, Surrey Heartlands has a much larger population aged 40 –65 and 75+. Over the next 10 years the number of people aged 85+ will go up by 25% and by 2028 more than 20% of the population will be aged 65+.
- 1.3. NHS-funded care in the Surrey Heartlands area is commissioned and delivered by multiple organisations. This complexity has in the past inhibited efforts to tackle the significant challenges faced by the local health and social care system

– demographics, workforce and infrastructure. Our opportunity, working as a full ICS, is to address these challenges as a system, enabling us to achieve ‘more than the sum of the parts’. This will also require a change in how we are held accountable as individual organisations.

- 1.4. At the heart of our integrated care system is a commitment to work together as a system to transform public services and secure consistent, sustainable, high quality physical and mental health and care, and the best use of financial resources, for the people of Surrey Heartlands for the long term.
- 1.5. This move towards working in geographical footprints requires governance arrangements to support financial development and change at a system level.

2. Principles of the Surrey Heartlands Governance Structure

- 2.1. The principles of the Surrey Heartlands governance arrangements are to support effective collaboration and trust between all providers, commissioners, stakeholders and the citizens of Surrey to work together to deliver improved health and care outcomes more effectively and reduce health inequalities across the system. Our governance structure will:
 - Provide a framework for system level decision making and assurance with clarity on where and how decisions are made on the development and implementation of the Surrey Heartlands vision and objectives;
 - Provide greater clarity on system level accountabilities and responsibilities;
 - Provide assurance to individual statutory bodies¹;
 - Enable opportunities to innovate, share best practice and maximise sharing of resources across organisations;
 - Enable collaboration between partner organisations to achieve system level financial balance while safeguarding the autonomy of organisations;
 - Enable transformation of health and care services to realise the objectives of the ICS, working towards a long-term goal of a single population based budget for health and social care services.

3. Purpose of the Finance Board

- 3.1. The purpose of the Surrey Heartlands Finance Assurance and Strategy Board (Finance Board) is to provide system-wide financial leadership and accountability for the delivery of transformational change and for the general financial management of health and care across Surrey. Where necessary, it will also monitor the implementation of any financial recovery plans.

¹ The Finance Board has delegated responsibilities from the CCGs to provide statutory financial assurance. It replaces the role of the former CCG Strategic Finance & Performance Committee.

4. Reporting Responsibility and Accountability

- 4.1. The Finance Board reports and is formally accountable to the statutory organisations in the Surrey ICS system and provides assurance to any necessary matters of escalation to the ICS System Board via the System Oversight and Assurance Group (SOAG). (Likewise, SOAG may raise concerns to this Board for them to provide the required assurance.)
- 4.2. The Finance Board receives its powers and authority by delegation from each of the ICS Partners (see Appendix 1). The approval of these Terms of Reference by the ICS Partners signifies the delegation of powers and authority to the Finance Board.
- For clarity: for the Surrey Heartlands' CCGs, this Board is delegated by their Governing Bodies.
- 4.3. Following each Finance Board meeting, the Independent Lay Co-Chair will provide a monthly report into the ICS System Board to provide assurance on progress of critical activities. The Chair shall draw to the attention of the ICS System Board any issues that require its consideration or requires executive action.
- 4.4. The Finance Board will only operate within the parameters of the responsibilities delegated to it by the ICS Partner organisations as described in these Terms of Reference. Each ICS Partner will record the delegation within their Scheme of Reservation & Delegation.
- 4.5. The minutes of the Finance Board meetings shall be formally recorded, submitted to the ICS Partner organisations and subject to publication in accordance with each organisation's governance procedures.
- 4.6. The Finance Board is authorised by the statutory organisations in the Surrey ICS system to investigate any activity within these Terms of Reference. It is authorised to seek any information it requires from any member, officer or employee who are directed to co-operate with any request made by the Finance Board. The Finance Board is also authorised to obtain (via a CCG Partner²) outside legal or other independent professional advice and to secure the attendance of other individuals with relevant experience and expertise if it considers necessary³.

² A CCG partner is selected only because the CCGs have delegated assurance responsibility to the Finance Board.

³ This clause gives permission to the Finance Board to challenge any item under its consideration and request additional information or legal advice. When each of the ICS partners approve these ToR they commit to abide with this clause.

- 4.7. When considering matters, Finance Board should take into account the following points:
- All statutory requirements applicable to the ICS partner organisations (including Accounting Standards, Health and Safety, Information Security, Counter Fraud etc);
 - NHS England Requirements and Standards;
 - NHS Best Practice and Guidance;
 - Emerging Risks and Issues.

5. Sub Committees & Delegation

- 5.1. The Finance Board may delegate tasks to such individuals, sub-committees or individual members as it shall see fit, provided that any such delegations are consistent with the parties' relevant governance arrangements, are recorded in a relevant scheme of delegation, are governed by Terms of Reference as appropriate and reflect appropriate arrangements for the management of conflicts of interest.
- 5.2. The minutes from any sub committees will be a standing item on the Finance Board's agenda.

6. Responsibilities

- 6.1. The key responsibilities of the Finance Board are as follows:

6.1.1. System control and Efficiency

- To collaborate across the Surrey Heartlands health and care economy e.g. by identifying mechanisms and promoting behaviours that drive system efficiencies, transformation (enabling improved outcomes through redirection of resources towards prevention and integration of services) and underlying cost reduction;
- To agree the scope and definition of an NHS 'system control total' and how it is practically measured and reported on and to highlight gaps to system plans or control totals and identify how these might be mitigated;
- To overseeing the review and development of the Financial Plan of partner CCG(s);
- To monitor the ICS's in year financial performance against approved budget, giving consideration to underlying activity data as appropriate;
- To consider all draft strategic and financial plans prior to their submission to the ICS Partners Board / Governing Body for approval;

- To ensure that, where risks of exceeding expenditure limits are identified, remedial action is sought by the Finance Board, reviewed and, if appropriate, recommended to the ICS Partners Board / Governing Body;
- To recommend to the CCG Governing Body sign off of the annual budget for the CCG.

6.1.2. Integrated Care System Efficiency Plans

- To oversee the review and development of the ICS Efficiency Plan;
- To monitor the overall implementation of the financial plan and delivery of the ICS Efficiency Plan;

6.1.3. Payment and Operating Models

- Agree & implement new methods of payment that support integration of services and population health management approaches, whilst enabling delivery of a shared system control total;
- To work with the national team looking at best practice payment models from other ICSs and working locally with ICPs to propose future financial payment models that better support the achievement of system objectives;
- To collaborate to manage income and expenditure openly across commissioners and providers, working together to ensure that collective financial resources are used most effectively and that the single system operating plan is within limit.

6.1.4. Reporting and Planning

- To support and oversee the development of ICS and system wide finance and activity reporting;
- To support the development of longer term financial plans and models and agree core principles, assumptions and methodologies for joint planning for recommendation to the ICS System Board;
- To work collaboratively in completing national returns on a timely basis;
- Develop a collective approach to system financial management with advice and direction through the NHS England and NHS Improvement partnership finance group;
- Oversight of operational planning and contracting process and timetable including ICS led assurance of plans.

6.1.5. Strategic Planning

- Overseeing the review and development of the Systems Ambitions Plan, associated financial plan and strategy and the annual budget for all organisations;

- Ensuring that all plans are consistent with associated enabling strategies including workforce, estates, IM&T, communications and engagement, and that all plans are supported by robust activity and financial information;
- Ensuring risks of exceeding expenditure limits are assessed and mitigated actions are implemented.

6.1.6. ICS Programme Support

- Provide finance support to all work streams (through nominated deputies);
- Set the procedure for the financial approval of all business cases that draw on transformation funding.

6.1.7. Managing the Health and Care Economy

- Sharing best financial practice across partner organisations and actively seeking to overcome barriers created by the differing financial regimes (e.g. NHS commissioner/provider split and NHS/Local Government) and, for example, by encouraging finance staff to gain experience across the different types of partner organisations;
- Continue to identify key priorities and opportunities;
- Focus on transformation and financial recovery;
- Support the delivery of the work streams and system efficiencies;
- Continue to work together to identify areas to close financial gaps.

6.1.8. Escalation

- Report system wide issues and escalate concerns to the Surrey Heartlands System Oversight and Assurance Group;
- Bring together information and take joint action on areas of underperformance, including generating shared solutions.

6.2. The Finance Board is authorised to determine matters within its remit where those matters involve expenditure up to the delegated limits. Where the expenditure involved exceeds these sums, the Finance Board is authorised to make representations to the ICS Partner organisations in respect of those matters.

7. Membership

7.1. The membership of the Finance Board consists of:

Finance Board Membership	Class
Independent Lay Member, who shall be a Finance Board Co-Chair;	Independent
Lay CCG Member (General), who shall be a Finance Board Co-Chair;	Commissioner
Deputy Lay CCG Member (General) ⁴ ;	Commissioner
Deputy Lay CCG Member (Audit) ⁴ ;	Commissioner
GP Clinical Representative;	Commissioner
ICS Director of Finance ⁵	Independent
Director of Finance – East Surrey CCG	Commissioner
Director of Finance Insights, Surrey County Council	Independent
Director of Finance – Royal Surrey County Hospital	Provider
Director of Finance – Ashford & St Peter’s Hospitals	Provider
Director of Finance – Epsom & St Helier Hospitals	Provider
Director of Finance – Surrey & Sussex Hospitals - (by invitation) ⁶	Provider
Director of Finance – Surrey and Borders Partnership Trust	Provider
Director of Finance – Central Surrey Health (by invitation) ⁶	Provider
Associate Director of Finance, South East Coast Ambulance	Provider
Finance representative from NHSE/I	Independent
ICS Chief Officer	Independent

7.2. Members of the Finance Board should aim to attend all scheduled meetings. The Finance Board may make representation to the relevant ICS Partner organisation in any circumstances in which a Member’s attendance falls below 75% attendance.

8. Co-opted members / deputies / attendees

8.1. The Finance Board may not co-opt additional members.

8.2. Finance Board members may nominate a suitable deputy when necessary and subject to the approval of the Chair. All deputies should be fully briefed and the secretariat informed of any agreement to deputise so that quoracy can be maintained.

⁴ This post is subject to change on 1st April 2020 as part of the proposed CCG Merger.

⁵ ICS Director of Finance is also the Chief Finance Officer for the three CCGs.

⁶ East Surrey CCG may join Surrey Heartlands or the single CCG and become a full member of the Finance Board.

8.3. The following individuals shall routinely attend meetings:

- None

8.4. Other relevant senior managers and other individuals may be invited to attend the Board as required including

- ICP Director.

9. Quoracy

9.1. No business will be transacted unless:

- At least 50% of members are present at the Finance Board; and
- There is one independent or commissioner and one provider representative present (in person or through a deputy appointed with 8.2 above).

10. Chair

10.1. The ICS Partner organisations will appoint two co-chairs:

- An Independent Chair;
- A CCG lay Member.

10.2. The co-chairs will alternate as Chair of a meeting except where the Finance Board members indicate before a meeting that an agenda item should be chaired by a specific individual.)

10.3. The Chair of the Finance Board will ensure:

- Full participation during meetings;
- All relevant matters and agenda items are discussed, and
- Effective decisions are made and communicated to the ICS partners.

10.4. Each member is responsible for leading the delivery of the key decisions and actions in their own organisations and relevant Integrated Care Partnership board.

11. Meeting Management

11.1. The Finance Board will meet monthly and have an annual rolling programme of meeting dates and agenda items.

11.2. Meetings will have two parts:

- Formal decision-making meeting that has published minutes;
- Informal information-sharing meeting where no minutes are recorded;

11.3. All members will be able to propose agenda items.

- 11.4. The Finance Board will operate in accordance with the CCG's Standing Orders⁷. (For simplicity, this should be just one of the ICS partner organisations and the same as the partner organisation providing the admin support. This ToR version assumes that the CCG will provide this service.) The CCG Corporate Office will be responsible for ensuring administrative support to the Finance Board. This will include:
- Giving notice of meetings (including, when the Chair of the Finance Board deems it necessary in light of the urgent circumstances, calling a meeting at short notice);
 - Issuing an agenda and supporting papers to each member and attendee no later than 3 days before the date of the meeting (where possible);
 - Ensuring an accurate record (minutes) of the meeting.
- 11.5. The Finance Board will meet in private. Agendas and papers will not be published. However, the minutes for the Part I section of the Board will be published by each organisation under their requirements.
- For clarity: For each of the Surrey Heartlands' CCGs, the minutes of this Board will be presented at their Governing Body meeting in public for noting. Any minutes from the confidential section of this Board will be presented at the Governing Body Part II meeting in private.
- 11.6. Papers will be tabled only by prior agreement with the Chair.
- 11.7. With the agreement of the Chair, and by exception, one or more Members of the Finance Board may participate in meetings in person or virtually by using video or telephone or web link or other live and uninterrupted conferencing facilities.
- 11.8. An extra meeting of the Finance Board can be called at the request of any two members of the Finance Board.
- 11.9. Where an extra meeting needs to be scheduled, every endeavour will be made to give at least 10 working days' notice. Notification will be given by email.
- 11.10. Non-voting people may be required to withdraw from the confidential part of the meeting
- 11.11. Members of the Finance Board have a collective responsibility for the operation of the Finance Board. They will participate in discussion, review evidence and provide objective expert input to the best of their knowledge and ability, and endeavour to reach a collective view.

⁷ For simplicity, this should be just one of the ICS partner organisations and the same as the partner organisation providing the administrative support. This ToR version assumes that the CCG will provide this service.

12. Agenda Preparation

- 12.1. The Finance Board will develop a forward-looking rolling Agenda programme, maintained by the secretariat.
- 12.2. The Co-Chairs will work with the secretariat on the preparation of the next meeting agenda.

13. Values and Behaviours

- 13.1. Members of the Finance Board will work together in such a way that embodies the agreed values of the Surrey Health & Care Partnership and in doing so will demonstrate expected behaviours such as:
 - Trusting each other's positive intent;
 - Working as one team for the people of Surrey Heartlands;
 - Valuing the contribution of each partner;
 - Sharing and learning together.
- 13.2. All members are expected to uphold and support the vision, aims and objectives of the ICS Partnership and will bring perspectives from their individual organisation(s) to ensure that the strategy and programme of work reflects the diversity of the ICS footprint and can be implemented within each of the different parts of the ICS.
- 13.3. Individual organisations will not undermine, overturn or fail to implement collective agreements/ decisions agreed by this Finance Board and ratified by the System Board.

14. Conflict of Interests

- 14.1. The members of the Finance Board must comply fully with NHS England Guidance and CCG Policy regarding Conflict of Interest⁸.
- 14.2. The Co-Chairs are responsible for managing conflicts of interest at a meeting of the Finance Board. If a Chair has a conflict of interest then the co-chair or, if necessary, another member of the Finance Board will be responsible for deciding the appropriate course of action.
- 14.3. At the start of the meeting, the Chair will invite members to declare if they have any conflicts of interest with the business to be conducted, including previously declared interests.
- 14.4. The Chair will decide any necessary course of action to manage a declared conflict of interest as advised by the CCG Conflict of Interest Policy. (Again for

⁸ The Management of Conflicts of Interest is included in the CCG Standards of Business Conduct Policy.

simplicity only one should be referred to and ideally the same as the secretariat organisation.)

- 14.5. Any declared conflicts of interest will be recorded in the minutes along with any action taken, in a form as advised by the CCG Standards of Business Conduct and Conflict of Interest Policy. In summary the information recorded is:
- the name of the person noting the interest;
 - the nature of the interest and why it gives rise to the conflict;
 - the item of the agenda to which the interest related;
 - how it was agreed that the conflict should be managed;
 - evidence that the conflict was managed as intended.

15. Decision-making

- 15.1. The aim of the Finance Board is to achieve consensus decision-making wherever possible.
- 15.2. Each member of the Finance Board shall have one vote.
- 15.3. If, necessary, a vote will be passed with a simple majority of the votes of eligible members present. In the case of an equal vote, the Chair shall have a second and casting vote.
- An “eligible member” is defined as the representative of an organisation which has delegated decision-making for the item being considered to the Finance Board plus the Independent Lay Co-Chair. It is the responsibility of the author of the item being considered to list the organisations who must make any decisions.
- 15.4. The result of the vote will be recorded in the minutes.
- 15.5. All decisions taken in good faith at a meeting of the Finance Board shall be valid even if there is any vacancy in its membership or, it is discovered subsequently, that there was a defect in the calling of the meeting, or the appointment of a member attending the meeting.

16. Emergency / Chair’s action

- 16.1. Either of the co-chairs may take emergency action when exceptionally required. The CCGs Lay Member Co-Chair may take Emergency/ Chair’s action with regards to functions delegated to the Board by the CCGs and the Independent Co-Chair, for any other areas on condition that the following criteria are met:
- One other member of the Board is consulted with and this agreement is obtained in writing. This member must be from an organisation to which

the decision pertains (for clarity, for a CCG/s decision, this must be a CCG member); and

- Prior consent is obtained from the respective organisation/s' Chair/s (for clarity, for a CCG/s decision, this will be the CCG Clinical Chair; for any other decisions in relation to the ICS, this will be the Senior Responsible Officer for the Surrey Heartlands Health and Care Partnership); and
- The action is reported at the next meeting of the Finance Board.

17. Secretariat

- 17.1. The CCG Corporate Office will ensure the provision of a Secretary to the meeting who shall attend to take minutes of the meetings and provide appropriate administrative support to the Chair and Committee members.
- 17.2. The CCG Chief Finance Officer will be responsible for supporting the Chair in the management of the Finance Board's business and for drawing the Finance Board's attention to best practice, national guidance and other relevant documents as appropriate.
- 17.3. The Secretary will ensure minutes of the Finance Board will be presented to the next meeting for formal sign off and submitted to each of the ICS Partner organisations.

18. Review

- 18.1. The Finance Board will self-assess its performance on an annual basis, normally starting each January, referencing its work plan to ensure that the business transacted in meetings has effectively discharged the duties as set out in the Terms of Reference.
- 18.2. These Terms of Reference will be reviewed annually by the Finance Board membership. Any proposed significant changes to the ToR and responsibilities will be presented to the ICS Partner organisations for approval.

Date	Version no.	Reviewed by	Status	Comments/ Changes since last version
29/05/19	2.4	SOAG	Final	Approved
11/06/19	2.5	Executive Lead	Draft	Minor Alterations
11/06/19	2.6	Executive Lead	Draft	Membership Alteration
20/06/19	2.7-8	Executive Lead	Draft	Lay Member Comments
26/6/19	2.9	Governing Bodies approved	Final	Amendments made:

Date	Version no.	Reviewed by	Status	Comments/ Changes since last version
25/09/19	3.0	Governing Bodies	Final	<ul style="list-style-type: none"> • Section 4: 'Oversight' clarified. 4.2 and 4.3: Delegation arrangements and reporting lines to the Governing Body made explicit. • Section 10.1: CCGs' Chair amended to Independent Nurse; • Section 11.5: Made explicit that minutes published; • Section 16: Chair's Action updated for clarity. • Section 18.3: made explicit that minutes published as part of Governing Body papers.

19. Appendix 1

ICS Partnership Organisations (plus Heartlands ICS Control Total)

The Surrey Heartlands ICS is made of the partner statutory organisations listed in the table below.

NHSE/I have created a “Surrey Heartlands Control Total” which is made up of varying percentages of the budgets for each organisation.

Guildford & Waverley CCG (100%)	100%
North West Surrey CCG (100%)	100%
Surrey Downs CCG (100%)	100%
Royal Surrey County Hospital (100%)	100%
Ashford & St Peters Hospital (100%)	100%
South East Coast Ambulance Service	100%
Surrey and Borders Partnership NHS Trust (64%)	60%
East Surrey CCG	0% (May change to 100% in Oct 2019 or Apr 2020)
Epsom & St Helier Hospital Trust	0%
Surrey & Sussex Hospitals Trust	0% (May change to 100% in Oct 2019 or Apr 2020)
Central Surrey Health	0% (May change to 100% in Oct 2019 or Apr 2020)
Surrey County Council	0%
NHS England	0%
NHS Intelligence DC	0%
Specialist Commissioning	0%