

FINANCE AND PERFORMANCE COMMITTEE

TERMS OF REFERENCE AND OPERATING ARRANGEMENTS 2025/26

1. INTRODUCTION

- 1.1. The Trust's Standing Orders provide that *"The board may and, where directed by the Welsh Government must, appoint committees of the Trust 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"*.
- 1.2. In line with Standing Orders the board shall nominate annually a committee to be known as the **Finance and Performance Committee** (the 'committee'). The detailed terms of reference and operating arrangements set by the board in respect of this committee are set out below.
- 1.3. committees play an important role in supporting the board in fulfilling its responsibilities by:
- providing advice on strategic development and performance within the terms of reference;
 - undertaking scrutiny and gaining assurance on key aspects of organisational performance, and supporting achievement of the Trust's strategic goals;
 - carrying out specific responsibilities on the board's behalf; and
 - providing a forum where ideas can be explored in greater detail than board meetings are able to allow, providing time and space to consider issues in greater depth.

Regular and timely reporting and escalations to the board on the issues within the committee's remit allow for more focused discussions by the board.

2. PURPOSE

The purpose of the Finance and Performance committee is to enable scrutiny and review of the Trust's arrangements in respect of the:

- 2.1 overall financial position (both capital and revenue) of the Trust and its compliance with statutory financial duties;
- 2.2 ability of the Trust to deliver on its core objectives as set out in the Integrated Medium Term Plan (IMTP);
- 2.3 monitoring of the IMTP and ensuring achievement of key milestones;
- 2.4 robustness of any cost improvement measures and delivery of key strategies and plans;
- 2.5 ensure development of the long term strategy and delivery of the Trust's strategic aims in relation to value and efficiency, including an increased focus on benchmarking;
- 2.6 scrutinise business cases for capital and other investment;
- 2.7 oversight of the development and implementation of the digital, estates, fleet, and environmental strategies; information governance and information security; and business continuity including emergency preparedness, resilience and response, cyber security, and cyber resilience.
- 2.8 The committee shall, in carrying out its functions and responsibilities, consider how their decisions secure an improvement in the quality of health services (the duty of quality) as outlined in The Health and Social Care (Quality and Engagement) (Wales) Act 2020. This includes but is not limited to ensuring the provision of high-quality, safe, and effective healthcare services that meet the needs of patients, service users, and their families.
- 2.9 The committee shall demonstrate the duty of quality through its own operating arrangements, ensuring that its processes, procedures, and decision-making mechanisms uphold the highest standards of transparency, accountability, and governance. It shall regularly review and refine its operating procedures to align with best practices and legal requirements, fostering an environment of continuous improvement. Furthermore, the committee shall monitor, assess, and report on the implementation of Health

and Care Quality Standards, outcomes, and performance indicators where relevant within their remit.

- 2.10 In alignment with the Wellbeing of Future Generations (Wales) Act 2015, this committee will adopt a long-term perspective in its deliberations and decisions. The committee will consider the broader implications of its actions, particularly in relation to the three wellbeing objectives established by the trust in order to contribute positively to the wellbeing of future generations. These objectives are: 1) being a socially responsible and inclusive employer, 2) fostering an innovative and sustainable organization, and 3) ensuring we are a proactive, accessible, and equitable care provider

3. DELEGATED RESPONSIBILITY

With regard to its role in providing advice and assurance to the board, the committee will specifically:

Strategic Development and Delivery

Long Term Strategy

- 3.1 Oversee and contribute to the development of the Trust's long term strategic direction and make recommendations to the board for its approval, including any adjustments to the Trust's current long term strategy, Delivering Excellence: Our Vision for 2030.
- 3.2 Oversee and contribute to the development of the Trust's Integrated Medium Term Plan (IMTP) and ensure alignment of that plan to deliver the long-term strategy.
- 3.3 Monitor and review progress against the IMTP.

Long Term Plans

- 3.4 Oversee and contribute to the development of the long term plans associated with Delivering Excellence: Our Vision for 2030, including but not limited to:
- Estates plan
 - Fleet plan
 - Digital plan

- Environmental plan
- Commercial development plan
- Wellbeing objectives

3.5 Hold a central overview of all long term plans that align to the long term strategy. These plans will be reviewed for alignment by the relevant committee first and their implementation will be guided by the IMTP or relevant local directorate plans.

Finance

- 3.6 Oversee and contribute to the financial strategy, in relation to both revenue and capital.
- 3.7 Monitor the Trust's in-year and forecast revenue financial position against budget and review and make appropriate recommendations for corrective action where required.
- 3.8 Monitor progress against the Trust's capital programmes including for estates, fleet and digital
- 3.9 Receive, review and ensure mitigation of financial risks of delivery of plans;
- 3.10 Review progress against the Trust's annual operating framework and make recommendations to the board in relation to development of the annual financial plan and budget setting and financial strategy, financial sustainability programmes, efficiency review implementation and required savings targets.
- 3.11 Review performance against the relevant Welsh Government financial requirements.
- 3.12 In accordance with the Scheme of Reservation and Delegation:
- Review all business cases and contract awards for approval by the board and
 - Consider whether post implementation evaluations of the above will return for key learning points.

Commercial

- 3.13 Receive assurance on the Trust's commercial framework when developed.

Value Based Healthcare

- 3.14 Receive assurance on delivery of core aims in relation to delivering value and development of value based health care in an out of hospital setting.

Performance

- 3.15 Review performance against targets and standards set by Commissioners and/or Welsh Government for the Trust and, where appropriate, against national ambulance quality indicators.
- 3.16 Review the effectiveness of the Trust's Quality and Performance Management Framework and receive assurance on the value of outcomes produced by the framework.
- 3.17 Endorse (and recommend to the board) and monitor progress and ensure the development of robust intelligent targets against:
- Board level key performance indicators (KPIs) in the Monthly Integrated Quality and Performance Report (MIQPR).
 - KPIs reporting outside of the MIQPR including digital systems and information governance and information security
- 3.18 Monitor and review plans to recover areas of underperformance, reviewing where appropriate associated KPIs as part of any deep dives, and providing assurance to the board and escalating to the board or a relevant committee as required.

Planning

- 3.19 Monitor the effectiveness of commissioning arrangements.
- 3.20 Review and consider matters relating to demand and capacity including proposals for reviews in this area and recommendations arising from such reviews.

Infrastructure

- 3.21 Review proposals for acquisition, disposal, and change of use of land/buildings.

- 3.22 Receive assurance on compliance with environmental regulations and national targets in relation to the environment and sustainability.
- 3.23 Receive assurance on compliance with fire safety and waste regulations.

Business Continuity and Cyber

- 3.24 Oversight and scrutiny of the Major Incident Plan and Business Continuity Plan and receive assurance that such plans are effective.
- 3.25 Oversight and scrutiny of cyber resilience including assurance on awareness and training of WAST staff and volunteers; maintenance of upgrades/updates of systems, and replacement of legacy/high-risk systems.
- 3.26 Oversight and scrutiny of cyber security including assurance of regular monitoring of risks and threats, business continuity planning and engagement with national cyber centres and stakeholders.

Information Governance and Information Security

- 3.27 Receive assurance the information governance and information security arrangements are appropriately designed and operating effectively to ensure the reliability, integrity, safety, and security of information to support the delivery of high quality, safe healthcare across the organisation.
- 3.28 Review progress of measures to improve information security and adherence to Caldicott principles against the Information Governance Toolkit, Network and Information Systems (NIS) Directive (2018), Data Protection Act (2018), and receive assurance on compliance with relevant standards, legislation and regulations.
- 3.29 Receive assurance on, and review effectiveness of the Trust's information security protocols.
- 3.30 Review performance of the Trust in relation to statutory and mandatory information requests and reporting requirements including but not limited to freedom of information requests, data breaches, police requests and subject access requests.

Policies

- 3.31 Approval of policies within the remit of the committee

Risk and Audit

- 3.32 Oversee the effective management of strategic and principal risks, as set out within the Board Assurance Framework (BAF), as appropriate to the purpose of the committee.
- 3.33 Receive and gain assurance from internal and external audits in their remit. The committee will receive assurance that management actions to address recommendations are in place via the audit tracker and receive appropriate reporting as agreed by the Audit, Risk and Assurance committee. This committee will, where appropriate, scrutinise the impact of actions in response to audit recommendations.

4. AUTHORITY

- 4.1 The committee is authorised by the Trust Board to investigate, or have investigated, any activity within its terms of reference. In doing so, it will have the right to seek any information it requires from any employee or inspect any books, records, or documents relevant to its remit, ensuring patient/client and staff confidentiality as appropriate. All employees are directed to cooperate with any reasonable request made by the committee.
- 4.2 The committee is authorised by the board to obtain outside legal advice 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 Trust's procurement, budgetary and other requirements.
- 4.3 The committee is authorised to approve Trust wide policies in accordance with the policy for the Review, Development and Approval of Policies.

Chair's Action

- 4.4 There may, occasionally, be circumstances where decisions which would normally be made by the committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the committee. This is most likely, but not exclusively, to arise with respect to approval of policies particularly given the current backlog.

- 4.5 In these circumstances, the Chair, and the Lead Executive, supported by the Director of Corporate Governance/Board Secretary as appropriate, may deal with the matter on behalf of the committee after first consulting with at least two other Members (Non-Executive Directors).
- 4.6 The Director of Corporate Governance/Board Secretary must ensure that any such action is formally recorded and reported to the next meeting of the committee for consideration and ratification.
- 4.7 **Sub-committees**
The committee may establish sub-committees or task and finish groups to carry out on its behalf specific aspects of committee business. Formal sub-committees may only be established with the agreement of the board.

5. MEMBERSHIP AND QUORUM

- 5.1 The Trust's Standing Orders at 3.3.5 and 3.3.6 provide the rules around committee membership. That includes that the designation of Chair, definition of member roles and powers and terms and conditions of appointment are determined by the board, based on the recommendation of the Trust Chair. Executive Directors and other Trust officers cannot be appointed as committee Chairs, nor should they be appointed to serve as 'members' on any Committee set up to review the exercise of functions delegated to them. They may however be 'in attendance' as appropriate.
- 5.2 The application of these provisions means that the designation of 'members' in NHS Wales committees is applied to Non-Executive Directors. This ensures there is independent scrutiny, support and challenge, and is a relevant for quorum (see below) and – where it is required – for voting
- 5.3 Notwithstanding the above, the 'members' and 'prescribed attendees' listed below are often referred to collectively as members or membership.

Committee Membership

- 5.4 The will comprise three Non-Executive Directors, one of whom will be designated as Chair, and the following prescribed attendees :
- Executive Director of Finance and Corporate Resources (Joint committee Lead)
 - Executive Director of Strategy, Planning and Performance (Joint committee Lead)
 - Executive Director of Operations
 - Executive Director of Quality and Nursing
 - Director of People
 - Director of Digital
 - Trade Union Partners (x 2)
 - Director of Corporate Governance/Board Secretary
 - Head of Commercial (when appointed)
 - Chairs of Sub-committees (if any)
- 5.5 In the absence of the committee Chair, one of those in attendance must be designated as Chair of the meeting.
- 5.6 Members may send deputies in their absence who will act with their full authority. To instigate a substitution arrangement, the member of the Committee must notify the Director of Corporate Governance/Board Secretary before the day of the meeting that he/she is unable to attend and the name of the member who will attend as the substitute.
- 5.7 The Chair of the Trust Board and the Chief Executive have a standing invitation to attend meetings. In addition, the Committee Chair may invite others (either Trust staff or persons outside the Trust) attend all or part of the meeting to assist with its discussions on any particular matter. The Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge, and expertise

Quorum

- 5.8 The quorum for meetings of the committee shall be two Non-Executive Directors.
- 5.9 While only two Non-Executive Directors are required for quorum, it is strongly recommended that all three Non-Executive Director members be present at each meeting to ensure robust discussion and effective oversight. The presence of all Non-Executive Directors is crucial for fostering diverse perspectives and maintaining rigorous challenge and scrutiny. Therefore, other Non-Executive Directors of the board may be co-opted to meetings where it is not possible for all three Non-Executive Directors to attend.

Member Appointments

- 5.10 The membership of the committee shall be determined by the board, based on the recommendation of the Trust Chair, taking account of the balance of skills and expertise necessary to deliver the committee's remit, and, subject to any specific requirements or directions made by the Welsh Government.
- 5.11 Non-Executive Members shall be appointed to hold office for a period of one year at a time, (Membership being reviewed by the Chairman of the board on an annual basis) up to a maximum of their term of office. During this time a member may resign or be removed by the board.
- 5.12 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the board, based upon the recommendation of the Trust Chair and, where appropriate, on the basis of advice from the Trust's Remuneration committee.

6. COMMITTEE MEETINGS

Secretariat and Support to committee Members

- 6.1 The Director of Corporate Governance/Board Secretary, on behalf of the committee Chair, shall:
- (a) arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
 - (b) ensure the provision of a programme of organisational development for committee members, as part of the Trust's overall board development programme developed by the Director of People and Culture.

Frequency of Meetings

- 6.2 Meetings shall be held bi-monthly or otherwise as the Chair of the committee deems necessary, consistent with the Trust's annual plan of board business. Meeting agendas, papers and minutes shall be circulated no less than seven days prior to each meeting.

Withdrawal of individuals in attendance

- 6.3 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.

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

- 7.1 The committee is directly accountable to the board for its performance in exercising the functions set out in these terms of reference.
- 7.2 The committee, through its Chair and members, shall 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 appropriate 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 assurance framework.

- 7.3 The committee will consider the assurance provided through the work of the board's other committees and sub-groups to meet its responsibilities for advising the board on the adequacy of the Trust's overall framework of assurance.
- 7.4 The committee shall embed the Trust's corporate standards, priorities, and requirements, e.g. equality and human rights through the conduct of its business.

8. REPORTING AND ASSURANCE ARRANGEMENTS

- 8.1 The committee Chair shall:
- (a) report formally, regularly and on a timely basis to the board and the Chief Executive (Accountable Officer) on the committee's activities. This includes verbal updates on activity, the submission of committee minutes and written reports where appropriate throughout the year;
 - (b) bring to the board and the Chief Executive (Accountable Officer's) specific attention any significant matter under consideration by the committee; and
 - (c) ensure appropriate escalation arrangements are in place to alert the Trust Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the Trust.
- 8.2 The Director of Corporate Governance/Board Secretary, 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.

9. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

9.1 The requirements for the conduct of business as set out in the Trust's Standing Orders are equally applicable to the operation of the committee, except in the following areas:

- Quorum (as set out in section 5)

10. REVIEW

10.1 These terms of reference and operating arrangements shall be reviewed at least annually but more frequently if required.