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| **Committee**  **Terms of Reference** | Leeds Community Healthcare NHS Trust logo |

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| Business Committee |

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| Executive Summary: The Business Committee is a sub-committee of Leeds Community Healthcare NHS Trust Board and has delegated authority from the Board to oversee, coordinate, review and assess the financial and performance management arrangements. This includes monitoring the delivery of the annual operational plan’s objectives and decisions on investments and business cases. The Business Committee also maintains an oversight of the Trust’s workforce, estates and informatics management and activities. |

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| **Changes made to this version (V5)** |
| Section 6.9  Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Chair. Participation by any of these means shall be deemed to constitute presence in person at the meeting. |

**Business Committee**

**Terms of Reference**

# Introduction

* 1. The Business Committee is a sub-committee of Leeds Community Healthcare NHS Trust Board and has delegated authority from the Board to oversee, coordinate, review and assess the financial and performance management arrangements. This includes monitoring the delivery of the annual operational plan’s objectives and decisions on investments and business cases. The Business Committee also maintains an oversight of the Trust’s workforce, estates and informatics management and activities.
  2. The Committee will assist in ensuring that Board members have a sufficiently robust understanding of key performance, financial and investment issues to enable sound decision-making.

# Constitution

* 1. The Board hereby resolves to establish a committee of the Board to be known as the Business Committee. The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

# Purpose

3.1 The Business Committee is part of the Trust’s integrated governance structure with the specific purpose of enabling the Board to obtain assurance that high standards of financial and business management are exercised by the Trust and in particular that adequate and appropriate governance structures, processes and controls are in place.

3.2. The Business Committee will promote a culture of open and honest reporting of any situation.

3.3 The Committee will provide assurance to the Trust Board on all Board Assurance Framework strategic risks that have been assigned to it by reviewing the evidence (sources of assurance) and indicating to the Board whether those risks are being effectively controlled. This will be reported to the Board in the Chair’s assurance report using standard classification, i.e.

* **Substantial assurance** based on a conclusion that there is a robust system of internal control and governance in place which will deliver the Trust’s corporate objectives (clinical, quality or business) and that controls and management actions are consistently applied
* **Reasonable assurance** based on a conclusion that there is a generally sound system of internal control and governance to deliver the clinical, quality or business objectives and that controls and management actions are generally being applied. Some weakness in the design and/or application of controls and management actions put the achievement of particular objectives at risk. Improvements are required to enhance the controls to mitigate these risks.
* **Limited assurance** based on a conclusion thatthe design and/or application of controls and management actions are insufficient and the weaknesses put the achievement of clinical, quality or business objectives at risk. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
* **No assurance** based on a conclusion that there is a fundamental breakdown in or absence of controls and management actions which could result (or have resulted) in failure to achieve the clinical, quality or business objectives. Immediate action is required to improve the controls to mitigate these risks.

# Membership

* 1. The Chair of the Business Committee will be a non-executive director appointed by the Trust Board.
  2. The membership of the Business Committee will comprise:
* Three non-executive directors, one of whom will have a clinical background (one of whom will serve as the Chair and one of whom will be the Deputy Chair)
* Chief Executive
* Executive Director of Finance and Resources
* Executive Director of Operations

# Attendees

5.1 In addition to the membership, the following participants are required to attend the meetings:

* Director of Workforce
* Company Secretary

5.2. Other executive directors and senior managers will be invited to attend for discussion when the Chair deems it necessary.

5.3. Board members who are not core members are able to attend as observers.

# Meetings and quorum

6.1. The Chair will preside at all meetings; in circumstances where the Chair cannot attend the Deputy Chair shall preside.

6.2. A quorum shall be three members of the core Committee, including either the Chair or the Deputy Chair and at least one executive director. If the Committee is not quorate the meeting may be postponed at the discretion of the Chair. If the meeting does take place and is not quorate, no decision shall be made at that meeting and such matters must be deferred until the next quorate meeting. In the case of non-agreement or no decision reached by the majority, the issue may be escalated to the Board for discussion.

6.3 Members are expected to attend all meetings.

6.4 In the absence of any member, he or she will have the right to nominate a suitable person to attend the Committee on behalf of the absent member. The number of deputies who will count towards a quorum shall not exceed two for any meeting.

6.5 If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he or she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the Committee’s consideration has been completed.

6.6 Meetings will be held normally ten times per year.

6.7 Special meetings of the Committee can be arranged for specific purposes as necessary.

6.8 The Chair of the Business Committee in consultation with one other member may also act on urgent matters arising between meetings of the Committee. Any such action will be reported to the next meeting and be recorded in the minutes of that meeting. This is laid out in the Procedure for emergency powers and urgent decisions (Chief Executive and Chair’s actions and Committee urgent matters).

6.9 Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Chair. Participation by any of these means shall be deemed to constitute presence in person at the meeting.

# Authority

7.1 The Committee’s delegated decision making will be in accordance with the Trust’s scheme of delegation as approved by the Board.

7.2 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of others with relevant experience and expertise if it considers this necessary.

7.4 The Committee is authorised by the Board to establish such sub-groups (duly constituted and operating within approved terms of reference) as it deems necessary to discharge responsibilities of the Committee. The sub-groups currently constituted are:

* Health and Safety Group
* Digital Strategy Implementation Group

# Duties

* 1. The Business Committee will provide the Board with assurance that finance and performance is being monitored and managed across the organisation and that progress is being made in the implementation of the operational plan. The Committee will ensure that the delivery of cost improvement plans to support organisational changes are being delivered. The Committee will also make recommendations on business developments and investment.
  2. The duties of the Business Committee can be categorised as follows:

## 8.2.1 Finance and performance

* Review the underlying quality of data used in compiling quantitative and qualitative non-clinical information and to provide assurance to the Board that it is accurate and relevant at service and corporate level.
* Provide assurance that the finance and performance reporting systems of the organisation are robust through detailed review of the performance brief and domain reports at each meeting.
* Keep the content of the performance brief and domain reports under review ensuring that it provides appropriate performance metrics to provide assurance to the Board on all aspects of organisational performance in line with strategic goals and corporate objectives.
* Review financial and operational performance through the receipt of reports in a form determined by the Committee.
* Seek assurance from the executive that any appropriate management action has been taken to return the Trust’s performance to plan and that any such actions or recovery plans are in place are adequately resourced, implemented and monitored.
* Provide assurance to the Board that cost improvement plans to support organisational change are being achieved.
* Review the Trust’s financial plans to test assumptions and provide assurance that reports and returns represent a true and fair view of the financial period under review
* Receive highlight reports from each of the designated significant projects and provide oversight of project performance undertaking in depth scrutiny as appropriate
* Receive reports (in full or summary) from internal audits which relate to the responsibilities of the Committee.
* Review all non-clinical risks and provide challenge that non-clinical risks are being appropriately managed in line with identified mitigations

## 8.2.2 Business and commercial development

* Ensure compliance with the Trust’s investment policy.
  + Business developments and investment in assets
  + Consider business cases with cost implications in excess of £100,000 (capital) or £250,000 (revenue) ensuring that outcomes and benefits are clearly defined, are measurable and support the delivery of key objectives for the Trust. Approve those in excess of £100,000 and up to £500,000 (capital) or in excess of £250,000 and up to £500,000 (revenue) and make recommendation to the Board on those over £500,000.
  + Consider investment decisions concerning the introduction of services of over £100,000. Approve those in excess of £100,000 and up to £250,000 and make recommendations to the Board on any over £250,000
* Review the Trust’s annual operational plan and annual budget and recommend to the Board for approval.
* Review and monitor the Trust’s investment policy (as applicable)
* Review the individual tender bids and acquisitions to ensure proper financial and performance impact evaluation and make recommendations to the Board.
* Periodically review the market analysis for the Trust.

## 8.2.3 Resource management

* Maintain an oversight of the Trust’s workforce, estates and informatics management and activities, including progress against strategic objectives for these areas.
* Receive appropriate assurances that the Trust is managing its human, estates and informatics assets safely, effectively and efficiently.
* Provide assurance to the Board that the Trust is meeting its statutory health and safety obligations

## 8.2.4 Treasury management

* Maintain an oversight of the Trust’s treasury management activities, ensuring compliance with Trust’s policies.
* Monitor the application of safeguards on investment of funds including:
  + List of institutions within whom funds can be placed
  + Appointment of bankers and brokers
  + Investment limits for each institution
  + Investment types
* Review the performance of treasury management investments.
* Review and monitor the Trust’s treasury management policy (as applicable).

## 8.2.5 Board Assurance Framework

The Committee will monitor the strategic risks assigned to it; check that the controls are working by agreeing the sources of assurance needed, reviewing the evidence provided and then it will inform the Board whether those risks are being effectively controlled.

# Administration arrangements

* 1. The Committee will receive appropriate administrative support. Duties will include:
  + preparing and circulating the agenda and papers
  + maintaining accurate records of attendance, main discussion points and decisions taken and issue necessary action logs within five working days of the meeting
  + drafting minutes for circulation to the Chair within five working days of the meeting
  + maintaining an electronic record of any documents discussed and / or approved and recall them to the Committee when due and filing and maintaining records of the work of the Committee

# Reporting

* 1. The Committee will report in writing to the Board through the Committee’s Chair’s assurance report (produced after each Committee meeting). The report records key issues, actions and decisions and the level of assurance provided to the Board by the Committee’s consideration of the relevant items.
  2. Minutes of the Committee's meetings will be produced promptly for approval at the subsequent Committee meeting. Approved minutes will be presented to the next formal Board meeting.
  3. The Audit Committee will monitor the effectiveness of the Committee through receipt of an annual report in accordance with best practice. The Business Committee will review the effectiveness of such sub-groups as established by the Committee.

# Review of terms of reference

11.1 The Committee will review the terms of reference annually. Any amendments required will be put before a meeting of the Trust’s Board for approval.