

Item: 4d
Enclosure: 6



REPORT CLASSIFICATION	✓	CATEGORY OF PAPER	✓
Official	✓	Proposes specific action	✓
Official: Sensitive Commercial		Provides assurance	
Official: Sensitive Personal		For information only	

BOARD MEETING	
1 JULY 2022	
Report Title:	Terms of Reference for agreed Board Committees
Purpose of report	
To seek approval from the Board for the terms of reference for each agreed Board committee.	
Key points	
<p>NHS North East and North Cumbria Integrated Care Board (the ICB) is the statutory decision-making body of the North East and North Cumbria Integrated Care System (ICS). The ICB is responsible for the commissioning of health services and the effective stewardship of NHS spending for all the people who live in the North East and North Cumbria.</p> <p>As set out in the Constitution, the ICB Board (the Board) may appoint committees and arrange for its functions to be exercised by such committees. Each committee may appoint sub-committees and arrange for the functions exercisable by the committee to be exercised by those sub-committees. All committees and sub-committees are listed in the Scheme of Reservation and Delegation.</p> <p>Each committee and sub-committee established by the Board operates under agreed terms of reference which are published in the Governance Handbook. For the avoidance of doubt, committees may not establish sub-committees without Board approval.</p> <p>The Board remains accountable for all functions, including those that it has delegated to committees and sub-committees and therefore appropriate reporting and assurance arrangements are in place and documented in the terms of reference for each committee. All committees and sub-committees that fulfil delegated functions of the ICB, will be required to:</p> <ul style="list-style-type: none"> • Submit to the Board a decision and assurance report following each committee meeting, summarising key decisions. In the case of sub-committees, these will be submitted to their Parent Committee. • Submit their confirmed minutes to the Board for assurance. In the case of sub-committees, these will be submitted to their Parent Committee. • Comply with agreed internal audit findings and committee effectiveness reviews. 	

- Demonstrably consider the equality and diversity implications of decisions they make and consider whether any new resource allocation achieves positive change around inclusion, equality, and diversity.
- Members will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.

Any committee or sub-committee established in accordance with clause 4.6 of the ICB's Constitution may consist of or include persons who are not ICB members or employees.

All members of committees and sub-committees that exercise the ICB commissioning functions will be approved by the Chair. The Chair will not approve an individual to such a committee or sub-committee if they consider that the appointment could reasonably be regarded as undermining the independence of the health service because of the candidate's involvement with the private healthcare sector or otherwise.

All members of committees and sub-committees are required to act in accordance with the ICB's Constitution, including the standing orders as well as the standing financial instructions and any other relevant ICB policy.

The following committees will be maintained:

- Audit Committee – appendix 1
- Remuneration Committee – appendix 2

The Board is also proposing to establish the following committees to assist with the discharge of its functions:

- Executive Committee – appendix 3
- Quality and Safety Committee – appendix 4
- Finance, Performance and Investment Committee – appendix 5

Terms of reference have been developed for each of the committees set out above in line with NHS England templates, current national guidance and local requirements.

Risks and issues

It is a risk if the committees do not have clear terms of reference; there is the risk that they would not be able to effectively exercise their delegated functions on behalf of the Board.

Assurances

Each set of terms of reference has been developed by the relevant subject experts and in line with all mandated guidance and best practice.

Recommendation/Action Required

The Board is asked to approve the terms of reference for the committees of:

- Audit
- Remuneration
- Executive
- Quality and Safety
- Finance, Performance and Investment

Sponsor/approving director	C Riley, Executive Director of Corporate Governance, Communications and Involvement (Designate)
Report author	I Walker, Head of Governance, North Tyneside CCG N Hawkins, Head of Corporate Affairs, Newcastle Gateshead CCG D Cornell, Associate Director of Operations, South Tyneside CCG

Link to ICB corporate aims (please tick all that apply)						
CA1: Improve outcomes in population health and healthcare						✓
CA2: tackle inequalities in outcomes, experience and access						✓
CA3: Enhance productivity and value for money						✓
CA4: Help the NHS support broader social and economic development						✓
Relevant legal/statutory issues						
Health and Social Care Act 2022						
Any potential/actual conflicts of interest associated with the paper? (please tick)	Yes		No		N/A	✓
If yes, please specify						
Equality analysis completed (please tick)	Yes		No		N/A	✓
If there is an expected impact on patient outcomes and/or experience, has a quality impact assessment been undertaken? (please tick)	Yes		No		N/A	✓
Key implications						
Are additional resources required?	None noted.					
Has there been/does there need to be appropriate clinical involvement?	Yes, as part of developing the terms of reference.					
Has there been/does there need to be any patient and public involvement?	Not applicable as terms of reference only.					
Has there been/does there need to be partner and/or other stakeholder engagement?	Yes, as part of developing the terms of reference.					

Integrated Care Board

AUDIT COMMITTEE – TERMS of REFERENCE

1. Constitution

The Audit Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB

2. Authority

The Audit Committee is authorised by the Board to:

- Investigate any activity within its terms of reference
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these terms of reference
- Commission any reports it deems necessary to help fulfil its obligations
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice.

For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation will prevail over these terms of reference other than the Committee being permitted to meet in private.

The Committee may not establish any subcommittees without prior Board approval as stated in the Constitution and Scheme of Reservation and Delegation.

3. Purpose

To contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance, risk management and internal control processes within the ICB.

The duties of the Committee will be driven by the organisation's objectives and the associated risks. The Committee will agree an annual programme of business, however this will be flexible to new and emerging priorities and risks.

The Committee has no executive powers, other than those delegated in the scheme of reservation and delegation and specified in these terms of reference.

4. Membership and attendance

4.1 Chair and Vice Chair

In accordance with the Constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.

The Chair of the Committee shall be independent and therefore may not chair any other committees. In so far as it is possible, they will not be a member of any other committee.

The Committee will agree the vice chair from amongst its members. However, the vice chair must be an independent non-executive member of the Board.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

4.2 Membership

The Committee members shall be appointed by the Board in accordance with the ICB constitution.

The Board will appoint no fewer than four independent members of the Committee including at least two non-executive members of the Board. Other independent members of the Committee need not be non-executive members of the Board.

Members will possess between them knowledge / skills / experience in accounting, integrated governance, risk management and internal control, internal / external

audit, and technical or specialist issues pertinent to the ICB's business. When determining the membership of the Committee, active consideration will be made to diversity and equality.

Neither the Chair of the Board, nor employees of the ICB will be members of the Committee.

4.3 Attendees

Only members of the Committee have the right to attend committee meetings however meetings of the Committee will also be attended by the following individuals who are not members of the Committee:

- Executive Director of Finance or their nominated deputy
- Chief Executive to discuss at least annually with the Committee the process for assurance
- Representatives of both internal and external audit
- Individuals who lead on risk management and counter fraud matters
- Other relevant attendees as agreed by the Audit Committee Chair

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter including representatives from the Health and Wellbeing Board, secondary and community providers.

The Chair of the ICB may also be invited to attend one meeting each year in order to gain an understanding of the Committee's operations.

4.4 Attendance

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

4.5 Access

Regardless of attendance, external audit, internal audit, local counter fraud and security management providers will have full and unrestricted rights of access to the Committee.

5. Meetings, Quoracy and Decisions

The Committee will meet in private.

The Committee will meet a minimum of four times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

5.1 Quorum

For a meeting to be quorate, a minimum of two independent non-executive members of the Board are required, including either the Chair or Vice Chair of the Committee.

If any member of the Committee has been disqualified from participating on an item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those members present agree, but no decisions may be taken.

5.2 Decision-making and Voting

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis in consultation with one other member of the Committee (i.e., a quorum) through the use of telephone, email or other electronic communication.

6. Responsibilities of the Committee

The Committee's duties can be categorised as follows:

6.1 Integrated Governance, Risk Management and Internal Control

- To review the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the Board
- To ensure that financial systems and governance are established which facilitate compliance with Department of Health and Social Care's Group Accounting Manual
- To review the adequacy and effectiveness of the assurance processes that indicate the degree of achievement of the ICB's objectives, the effectiveness of the management of principal risks
- To have oversight of system risks where they relate to the achievement of the ICB's objectives
- To ensure consistency that the ICB acts consistently with the principles and guidance established in Her Majesty's Treasury's Managing Public Money
- To seek reports and assurance from directors and managers as appropriate, concentrating on the systems of integrated governance, risk management and internal control, together with indicators of their effectiveness
- To identify opportunities to improve governance, risk management and internal control processes across the ICB.

6.2 Internal audit

To ensure that there is an effective internal audit function that meets the Public Sector Internal Audit Standards and provides appropriate independent assurance to the Board. This will be achieved by:

- Considering the provision of the internal audit service and the costs involved
- Review and approval of the annual internal audit plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the assurance framework

- Considering the major findings of internal audit work, including the head of internal audit opinion, (and management's response), and ensure coordination between the internal and external auditors to optimise the use of audit resources
- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation
- Monitoring the effectiveness of internal audit and carrying out an annual review.

6.3 External audit

To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- Considering the appointment and performance of the external auditors, as far as the rules governing the appointment permit
- Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan
- Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee
- Reviewing all external audit reports, including to those charged with governance (before its submission to the Board) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses
- Ensuring that there is in place a clear policy for the engagement of external auditors to supply non-audit services.

6.4 Other Assurance Functions

To review the findings of assurance functions in the ICB and consider the implications for the governance of the ICB.

To review the work of other committees in the ICB, whose work can provide relevant assurance to the Audit Committee's own areas of responsibility.

To review the assurance processes in place in relation to financial performance across the ICB including the completeness and accuracy of information provided.

To review the findings of external bodies and consider the implications for governance of the ICB. These will include, but will not be limited to:

- Reviews and reports issued by arm's length bodies or regulators and inspectors: e.g., National Audit Office, Select Committees, NHS Resolution, Care Quality Commission; and
- Reviews and reports issued by professional bodies with responsibility for the performance of staff or functions (e.g., royal colleges and accreditation bodies).

6.5 Counter Fraud

To assure itself that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's (NHSCFA) standards and shall review the outcomes of work in these areas.

To review, approve and monitor counter fraud work plans, receiving regular updates on counter fraud activity, monitor the implementation of action plans, provide direct access and liaison with those responsible for counter fraud, review annual reports on counter fraud, and discuss NHSCFA quality assessment reports.

Ensure that the Counter Fraud Service provides appropriate progress reports and that these are scrutinised and challenged where appropriate.

To be responsible for ensuring that the counter fraud service submits an annual report and self-review assessment, outlining key work undertaken during each financial year to meet the NHS Standards for Commissioners, Fraud, Bribery and Corruption.

To report concerns of suspected fraud, bribery and corruption to the NHSCFA.

The Committee recommend the ICB's counter fraud and security management arrangements to the ICB Board for approval.

6.6 Freedom to speak up

To review the adequacy and security of the ICB's arrangements for its employees, contractors and external parties to raise concerns, in confidence, in relation to financial, clinical management, or other matters. The Committee shall ensure that

these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

6.7 Information governance (IG)

To receive regular updates on IG compliance, including uptake and completion of data security training, data breaches and any related issues and risks.

To review the annual senior information responsible officer report, the submission for the data security and protection toolkit and relevant reports and action plans.

To receive reports on audits to assess information and IT security arrangements, including the annual data security and protection toolkit audit.

To provide assurance to the Board that there is an effective framework in place for the management of risks associated with information governance.

6.8 Financial reporting

To monitor the integrity of the financial statements of the ICB and any formal announcements relating to its financial performance.

To ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as the completeness and accuracy of the information provided.

To review the annual report and financial statements (including accounting policies) before submission to the Board focusing particularly on:

- The wording in the governance statement and other disclosures relevant to the terms of reference of the Committee
- Changes in accounting policies, practices and estimation techniques
- Unadjusted misstatements in the financial statements
- Significant judgements in preparing of the financial statements
- Significant adjustments resulting from the audit
- Letter of representation; and
- Qualitative aspects of financial reporting

6.9 Conflicts of interest

The Chair of the Committee will be the nominated Conflicts of Interest Guardian.

The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of conflicts, (including gifts and hospitality and bribery) are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to conflicts of interest.

6.10 Management

To request and review reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

The Committee may also request specific reports from individual functions within the ICB as they may be appropriate to the overall arrangements.

To receive reports of breaches of policy and normal procedure or proceedings, including such as suspensions of the ICB's Standing Orders, in order provide assurance in relation to the appropriateness of decisions and to derive future learning.

6.11 Communication

To support communications on governance, risk management and internal control with stakeholders internally and externally as required.

To develop an approach with other committees, including the Integrated Care Partnership Board, to ensure the relationship between them is understood.

6.12 Auditor Panel

In order to meet the requirements of the Local Audit and Accountability Act 2014, the Committee shall also perform the role of the Auditor Panel for the ICB. The Chair and members of the Committee will also be the Chair and members of the Auditor Panel.

The Auditor Panel shall:

- advise the Board on the maintenance of an independent relationship with external auditors
- advise the Board on the selection and appointment of external auditors
- if asked, advise the Board on any proposal to enter into a limited liability agreement.

To ensure the activities of the Auditor Panel are distinctive to the other activities of the Committee, the Chair of the Auditor Panel shall arrange separate Auditor Panel meetings as required, ensure minutes of meetings are formally recorded and

submitted to the Board and provide a separate annual report to the Board of the panel's activities and decisions.

7. Behaviours and Conduct

7.1 ICB values

Members will be expected to conduct business in line with the ICB values and objectives. Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

7.2 Conflicts of Interest

In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to the NHS guidance on managing conflicts of interest.

Conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Chair and submitted to the Board. If a conflict of interest arises, the Chair may require the affected member to withdraw at the relevant point.

7.3 Equality and Diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

8. Accountability and Reporting

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The minutes of meetings shall be formally recorded and submitted to the ICB Board in private.

The Chair will provide assurance reports to the Board at each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

The Committee will provide the Board with an annual report, timed to support finalisation of the accounts and the governance statement. The report will summarise its conclusions from the work it has done during the year specifically commenting on:

- The fitness for purpose of the assurance framework

- The completeness and ‘embeddedness’ of risk management in the organisation
- The integration of governance arrangements
- The appropriateness of the evidence that shows the organisation is fulfilling its regulatory requirements; and
- The robustness of the processes behind the quality accounts.

9. **Secretariat and Administration**

The Committee shall be supported with a secretariat function which will ensure that:

- i) The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead
- ii) Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements
- iii) Records of members’ appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary
- iv) Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept
- v) The Chair is supported to prepare and deliver reports to the Board
- vi) The Committee is updated on pertinent issues / areas of interest / policy developments
- vii) Action points are taken forward between meetings and progress against those actions is monitored.

10. **Review**

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

Version: v1-0

Date of approval: 1 July 2022 TBC

Date of review: 1 July 2023

Integrated Care Board**REMUNERATION COMMITTEE - TERMS of REFERENCE****1. Constitution**

The Remuneration Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

2. Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) as outlined in these terms of reference
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's Constitution, Standing Orders and Scheme of Reservation and Delegation (SoRD) but may not delegate any

decisions to such groups

For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions, and SoRD will prevail over these terms of reference other than the committee being permitted to meet in private.

The Committee may not establish any subcommittees without prior Board approval as stated in the Constitution and SoRD.

3. Purpose

The Committee's main purpose is to exercise the functions of the ICB relating to paragraphs 17 to 19 of Schedule 1B to the NHS Act 2006. In summary:

- Confirm the ICB Pay Policy including adoption of any pay frameworks for all employees including senior managers/directors (including board members) but excluding non-executive Board member directors¹ and excluding the Chair.

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

4. Membership and attendance

4.1 Chair and Vice Chair

In accordance with the constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.

Committee members may appoint a Vice Chair from amongst the other ICB non-executive director members.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

4.2 Membership

The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

¹ Remuneration for Non-Executive Members will be set by a Panel, comprising the Chair, Chief Executive and Executive Chief People Officer.

The Board will appoint no fewer than three independent members of the Committee including at least two non-executive members of the Board. Other independent members of the Committee need not be non-executive members of the Board.

The Chair of the Audit Committee may not be a member of the Remuneration Committee

The Chair of the Board may be a member of the Committee but may not be appointed as the Chair or Vice Chair.

When determining the membership of the Committee, active consideration will be made to diversity and equality.

The Board has determined the Membership of the Remuneration Committee as:

- 3 Non-Executive Members of the Board (excluding the Audit Chair).

4.3 Attendees

Only members of the Committee have the right to attend Committee meetings, but the Chair may invite relevant staff to the meeting as necessary in accordance with the business of the Committee.

Meetings of the Committee may also be attended by the following individuals who are not members of the Committee for all or part of a meeting as and when appropriate. Such attendees will not be eligible to vote:

- ICB Chief Executive or their nominated deputy
- ICB Executive Chief People Officer or their nominated deputy
- ICB Executive Director of Finance or their nominated deputy

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

No individual should be present during any discussion relating to:

- any aspect of their own pay
- any aspect of the pay of others when it has an impact on them

4.4 Attendance

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable deputy may be agreed with the Chair.

5. Meetings Quoracy and Decisions

The Committee will meet in private.

The Committee will meet at least twice each year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, ICB Chair or Chief Executive may ask the Remuneration Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

5.1 Quorum

For a meeting to be quorate a minimum of two of the non-executive members is required, including the Chair or Vice Chair.

If any member of the Committee has been disqualified from participating on any item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

Where the meeting is not quorate, owing to the absence of certain members or due to conflicts of interest, the discussion will be deferred until such time as quoracy can be achieved. Where quoracy is not possible owing to the arrangements for managing conflicts of interest, the Chair of the meeting shall consult with the Chair of the ICB to establish an appropriate course of action to progress the item of business. These arrangements must be recorded.

5.2 Decision making and voting

Decisions will be guided by national NHS policy and best practice to ensure that staff are fairly motivated and rewarded for their individual contribution to the organisation, whilst ensuring proper regard to wider influences such as national consistency.

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

6. Responsibilities of the Committee

The Committee's duties are as follows:

For the Chief Executive, Directors and other Very Senior Managers:

- Determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, pensions and cars
- Determine arrangements for termination of employment and other contractual terms (decisions requiring dismissal shall be referred to the Board)
- Oversee the arrangements for the performance review of the Executive directors
- Receive assurances in relation to ICB statutory duties relating to people, such as compliant with employment legislation, including Fit and Proper Persons Regulations.

For all staff:

- Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change)
- Oversee contractual arrangements
- Determine the arrangements for termination payments and any special payments following scrutiny of their proper calculation and taking account of such national guidance as appropriate

7. Behaviours and Conduct

7.1 Benchmarking and guidance

The Committee will take proper account of National Agreements and appropriate benchmarking, for example Agenda for Change and guidance issued by the Government, the Department of Health and Social Care. NHS England and the wider NHS in reaching their determinations.

7.2 ICB values

Members will be expected to conduct business in line with the ICB values and objectives.

Members of, and those attending, the Committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.

7.3 Equality and diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

8. Accountability and reporting

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board.

The Remuneration Committee will submit copies of its minutes and a report to the Board following each of its meetings. Where minutes and reports identify individuals, they will not be made public and will be presented at part B (i.e., private meeting) of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year.

9. Secretariat and Administration

The Committee shall be supported with a secretariat function which will ensure that:

- The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead.
- Records of members' appointments and renewal dates are kept, and the Board is prompted to renew membership and identify new members where necessary.
- Good quality minutes are taken in accordance with the standing orders and agreed with the Chair and that a record of matters arising, action points and issues to be carried forward are kept
- The Chair is supported to prepare and deliver reports to the Board

- The Committee is updated on pertinent issues/ areas of interest/ policy developments
- Action points are taken forward between meetings.

10. **Review**

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and earlier if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

Version: Draft v1-0

Date of approval: 1 July 2022 TBC

Date of review: 1 July 2023

Integrated Care Board**EXECUTIVE COMMITTEE – TERMS of REFERENCE****1. Constitution**

The North East and North Cumbria Integrated Care Board (NENC ICB) was established by statute on 1st July 2022.

The Board of the NENC ICB has resolved to establish the Executive Committee (the Committee) as a committee of the Board.

These Terms of Reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

2. Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) as outlined in these terms of reference
- Commission any reports it deems necessary to help fulfil its obligations
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may not delegate any decisions to such groups

For the avoidance of doubt, the Committee will comply with the ICB Standing Orders, Standing Financial Instructions, and the SoRD other than the Committee

being permitted to meet in private.

The Committee may not establish any subcommittees without prior Board approval as stated in the Constitution and SoRD.

3. Purpose

The principal purpose of the Committee is to support the Board by:

- Overseeing the day-to-day operational management and performance of the ICB in support of the Chief Executive in the delivery of his/her duties and responsibilities to the Board
- Providing a forum to inform ICB's strategies and plans and in particular the committee will undertake any commissioning and planning activity on behalf of the Board, helping to secure continuous improvement of the quality of services
- Implementation of the approved ICB strategies and plans.

The Committee will contribute to the overall delivery of the ICB objectives by delivering its remit as set out in these Terms of Reference.

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

4. Membership and attendance

All members of committees and sub-committees that exercise the ICB commissioning functions will be approved by the Board Chair. The Board Chair will not approve an individual to such a committee or sub-committee if they consider that the appointment could reasonably be regarded as undermining the independence of the health service because of the candidate's involvement with the private healthcare sector or otherwise.

4.1 Chair and Vice Chair

- Chief Executive (Chair)
- Executive Medical Director (Vice Chair)

4.2 Membership (subject to Chair's approval as above)

- Chief Executive (Chair)

- Executive Director of Finance (or nominated deputy)
- Executive Medical Director (or nominated deputy)
- Executive Chief Nurse (or nominated deputy)
- Executive Director of Place Based Delivery - North (or nominated deputy)
- Executive Director of Place Based Delivery – South and Central (or nominated deputy)
- Executive Chief Digital and Information Officer (or nominated deputy)
- Executive Director of Innovation (or nominated deputy)
- Executive Chief People Officer (or nominated deputy)
- Executive Director of Strategy and System Oversight (or nominated deputy)
- Executive Director of Corporate Governance, Communications and Involvement (or nominated deputy)
- The Vice Chair will be agreed by the Committee members in the absence of the Chair.

Nominated deputies must be agreed with the Chair. Nominated deputies will have the same rights and responsibilities as members, and where applicable will form part of the quoracy.

4.3 Attendees

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee may also be attended by the appropriately nominated individuals who are not members of the Committee.

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters. Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter.

4.4 Attendance

Where a member of the Committee is unable to attend a meeting, a suitable deputy may be agreed with the Chair. Once agreed, that person will have the same voting rights and responsibilities as the member.

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair (or Vice Chair in his/her absence).

5. Meetings Quoracy and Decisions

The Committee will meet in private, however any aspects relating to the commissioning of delegated primary care services from NHSEI that may have a requirement for public visibility will be managed in a public facing meeting.

The Committee will meet at least 10 times a year and arrangements and notice for calling meetings are as set out in the Standing Orders. Additional meetings may take place as agreed by the Chair (or Vice Chair in his/her absence).

The Board or ICB Chair may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

5.1 Quorum

For a meeting to be quorate a minimum of 50% (six) members is required, including:

- The Chair or Vice Chair
- The Executive Director of Finance
- At least one of the Executive Directors of Place Based Delivery, and
- The Executive Medical Director or Executive Chief Nurse.

5.2 Decision making and voting

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote. Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter. Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote. If a decision is needed which cannot wait for the next scheduled meeting, the chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

6. Responsibilities of the Committee

The Committees responsibilities are as follows:

6.1 Commissioning

- Commissioning of Acute services for the NENC ICB population, including core contracts and other independent sector (private) provision across the Board's commissioning portfolio
- Commissioning primary care services (consistent with delegation from NHS England)
- Commissioning any specialised services not commissioned by NHS England (NHSE) but recognising the need to work with NHSEI in relation to the commissioning of specialised services
- Overseeing significant service reconfiguration to meet the needs of the population and providing assurance to the Board on the proposals.
- The Committee will work in conjunction with the Executive Directors of Place Based Delivery to ensure any delegated commissioning arrangements at place (or a wider geographical area) are consistent with the ICB strategies and plans
- Monitoring provider performance to ensure outcomes are met and report material exceptions (to the Board)
- Overseeing the rigorous and ongoing analytical review of the drivers of system pressures, so that solutions to these pressures may be developed with a collaborative approach
- Developing and monitoring a Board approved performance and outcomes framework that will provide assurance to the Board on delivery
- Under the arrangements agreed by the Committee, reviewing ICB performance against the NHS System Oversight Framework
- Ensuring the ICB's response to the ongoing recovery of services as a result of Covid-19 pandemic
- Recommends the ICB's programme budgets to the Board for approval
- Approves ICB programme costs subject to the SoRD and financial delegations and financial limits

- In conjunction with the Finance, Performance, and Investment Committee, overseeing the development of an annual system plan [with partner trusts] to meet the health and healthcare needs of the population within the NE&NC having regard to the Integrated Care Partnership Integrated Care Strategy and place health and wellbeing strategies
- Overseeing the ICB's process for provider contract development
- Ensuring that commissioning activities promote the health and wellbeing of communities across the NE&NC as well as addressing health inequalities, and commissioning activities to ensure cost effective care is delivered
- Promoting collaborative working across all providers in the NE&NC provider landscape
- Approve arrangements for complying with the NHS Provider Selection Regime
- Ensuring that commissioning activities are underpinned and informed through communications and involvement with partners across the ICS and at place to ensure the voice of local populations is heard and understood
- Align public and key stakeholder engagement in the development and implementation of ICB strategies and plans as set out in the ICB's statutory duties for patient and public involvement, including the duty to consult where required
- Adhering to ICB's process for quality assurance, linking with the ICB Quality and Safety Committee to escalate any areas of concern, to ensure the quality and safety of commissioned services and that quality and safety are central to all of the Committee's functions
- Ensuring that commissioning activities promote the health and wellbeing of communities across the NE&NC as well as addressing health inequalities, and to ensure cost effective care is delivered
- Taking account of collaborative commissioning activities, including those of clinical networks, to consider and make recommendations to the Board as to whether they will have wider contracting/financial across the NE&NC system.

6.2 Corporate

6.2.1 System Control

- Support the Chief Executive to prepare the SoRD, Operating Framework and Operating Structure
- To ensure the ICB fulfils the functions, duties and responsibilities set out in the ICB's Constitution
- Establish a comprehensive system of internal control across the ICB
- To ensure the effective operational management of the ICB in accordance with organisational policies and procedures
- To advise the Board of urgent or emerging strategic issues and risks and recommend an ICB response to the Board
- To ensure adequate arrangements are established in relation to the System Oversight Framework.
- Develops the Organisational Development (OD) Plan and oversees the delivery of the OD Plan
- Managing the ICB's own performance and associated risks (noting that Finance, Performance and Investment Committee monitors financial performance).

6.2.2 People

- Implementation of the people priorities including delivery of the People Plan and People Promise
- Workforce planning and sustainability
- To approve arrangements for staff recruitment, retention, and development
- To advise the Board on compliance with its statutory duties relating to people and employment legislation and to provide the Board performance reports of KPIs relating to people and employment

- WRES disclosure
- Prepare a Code of Conduct for staff for approval by the Board.

6.2.3 Research

- To advise the Board on compliance with its statutory duties relating to section 14Z40 (duty in respect of research).

6.2.4 Policies

- Recommend human resources policies to the Board for approval
- Approve and implement the ICB's complaints policy
- Approve arrangements and for ensuring the ICB has an integrated approach to the management standards of health and safety and has appropriate strategy and policies in place
- Approve and implement the ICB's health and safety policies
- Approve and implement the ICB's information governance policies including handling Freedom of Information requests, ensuring appropriate and safekeeping and confidentiality of records and for the storage, management and transfer of information and data
- Approve corporate policies not specifically stated elsewhere (excludes HR or clinical policies)
- Approve ICB Standard Operating Procedures (SOPs).

6.2.5 Strategy

- Development, and implementation, of a system-wide strategy and action on data and digital, subject to approval of the strategy by the Board
- Development, and implementation, of a Communications and Engagement Strategy for approval by the Board
- Development, and implementation, of the Equalities and Diversity Strategy for approval by the Board

- Develop and implement an Equality, Diversity and inclusion Action Plan
- Development of other ICB strategies, not specifically delegated to other committees, for approval by the Board

6.2.6 Governance Assurance Reports

- Receive and monitor Governance Assurance Reports (GAR)

6.2.7 Litigation

- Approve and implement the arrangements for action on litigation against or on behalf of the ICB.

6.2.8 Legal

- Determine arrangements for securing legal advice, where necessary.

6.2.9 Emergency Planning Resilience and Response (EPRR)

- Approve and implement the ICB's arrangements for planning, responding to and leading recovery from incidents (EPRR), to ensure NHS and partner organisations are joined up at times of greatest need, including taking on incident coordination responsibilities as delegated by NHS England and NHS Improvement.

6.2.10 Conflicts of Interest

- Oversee the ICB's compliance with the management of conflicts of interest as stated in the Constitution and the Standards of Business Conduct Policy/Conflicts of interest policy and procedures.

6.2.11 Risk Management

- Approve and implement the ICB's risk management policy.
- Escalate any issues or risks for inclusion on the corporate risk register as necessary.

Any other operational matter as determined by the Chief Executive, and subject to the SoRD, approved budgets and the Financial Delegations and Limits.

7. Behaviours and Conduct

7.1 ICB values

Members will be expected to conduct business in line with the ICB values and objectives. Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

7.2 Conflicts of interest

In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to the NHS guidance on managing conflicts of interest.

Conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Chair and submitted to the Board. If a conflict of interest arises, the Chair may require the affected member to withdraw at the relevant point.

7.3 Equality and diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

8. Accountability and Reporting

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The Committee will submit to the ICB Board a decision and assurance report following each Committee meeting, summarising key decisions.

The Committee is directly accountable to the ICB. The minutes of meetings shall be formally recorded and submitted to the ICB Board, in private or public as appropriate.

The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year.

9. Secretariat and Administration

The Committee shall be supported with a secretariat function which will ensure that:

- i) The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead.
- ii) Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements.
- iii) Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary.
- iv) Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept.
- v) The Chair is supported to prepare and deliver reports to the Board.
- vi) The Committee is updated on pertinent issues/ areas of interest/ policy developments.
- vii) Action points are taken forward between meetings and progress against those actions is monitored.

10. Review

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

Version: Draft v1-0

Date of approval: 1 July 2022 TBC

Date of review: 1 July 2023

Integrated Care Board**QUALITY and SAFETY COMMITTEE – TERMS OF REFERENCE****1. Constitution**

The Quality and Safety Committee (the Committee) is established by the North East and North Cumbria Integrated Care Board (the Board) as a Committee of the Board in accordance with its Constitution.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a non-executive chaired committee of the Board, and its members are bound by the Standing Orders and other policies of the ICB.

2. Authority

The Committee is a formal committee of the ICB. The Board has delegated authority to the Committee as set out in the Scheme of Reservation and Delegation and may be amended from time to time.

The Committee holds only those powers as delegated in these Terms of Reference as determined by the ICB Board.

3. Purpose of the Committee

The Committee has been established to provide the ICB with assurance that is delivering its functions in a way that delivers high quality safe patient care in commissioned services and secures continuous improvement in the quality of services, against each of the dimensions of quality set out in the Shared Commitment to Quality and enshrined in the Health and Care Act 2022. This includes reducing inequalities in the quality of care.

The Committee exists to scrutinise the robustness of, and gain and provide assurance to the ICB, that there is an effective system of quality governance and

internal control that supports it to effectively deliver its strategic objectives and provide sustainable, high quality care.

The Committee will provide regular assurance updates to the ICB in relation to activities and items within its remit.

4. Membership and Attendance

The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

The Board will appoint no fewer than four members of the Committee including two who are Independent Non-Executive Members of the Board (from the ICB). Other attendees of the Committee need not be members of the Board, but they may be.

When determining the membership of the Committee, active consideration will be made to equality, diversity, and inclusion.

The Board has appointed 14 Members of the Committee, as follows:

- Non-Executive Member (Chair)
- Non-Executive Member (Vice Chair)
- Executive Medical Director
- Executive Chief Nurse
- Executive Director of Strategy and System Oversight
- 1 x Partner Member, NHS Foundation Trusts
- 1 x Partner Member, Primary Medical Care
- Director of Public Health or Partner Member, Local Authority
- 1 x Place Director of Nursing (North & North Cumbria)
- 1 x Place Director of Nursing (South and Central)
- 1 x Place Medical Director (North & North Cumbria)
- 1 x Place Medical Director (South and Central)
- ICB Director of Allied Health Professions
- ICB Director of Medicines

Members may ask the Chair to agree a deputy. Those deputies agreed by the Chair will have the same rights and responsibilities as members, and where applicable will form part of the quoracy.

4.1 Chair and Vice Chair

The Committee will be chaired by an Independent Non-Executive Member of the Board. The Chair cannot also be the Audit Committee Chair or Vice Chair.

Committee members may appoint a vice chair from amongst the other ICB Independent Non-Executive Members.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of conflicts, (including gifts and hospitality and bribery) are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to conflicts of interest.

If a Chair has a conflict of interest, then the vice-chair or, if necessary, another member of the Committee will be responsible for deciding the appropriate course of action.

4.2 Attendees

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee may also be attended by the appropriately nominated individuals who are not members of the Committee.

The Board has nominated the following as attendees:

- 2 x registered Healthcare Professionals (e.g., allied health professional, nurse, medic, GP, pharmacist) from providers within the NE&NC ICS boundary
- Healthwatch representative

The Chair may agree other nominated individuals to attend regularly or for specific agenda items.

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters. Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter.

4.3 Attendance

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable deputy may be agreed with the Chair.

5. Meetings Quoracy and Decisions

The Committee will meet in private.

The Committee shall meet at least 6 times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may be convened on an exceptional basis at the discretion of the Committee Chair.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

5.1 Quoracy

No business shall be transacted at a meeting unless at least half of the whole number of core members is present to include at least one Non-Executive Member, either the Executive Medical Director or the Executive Chief Nurse and at least one other additional clinician.

In the event that a meeting of the committee is not quorate, the Chair can decide that the meeting will progress, but where decisions are required, they will be deferred to the next meeting when the committee is quorate.

5.2 Decision making and voting

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote. The result of the vote will be recorded in the minutes.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

6. Responsibilities of the Committee

The responsibilities of the Committee will be authorised by the ICB Board. It is expected that the Committee will:

- a. Be assured that there are robust processes in place for the effective management of quality and safety
- b. Scrutinise structures in place to support quality, clinical effectiveness, and safety; planning, control and improvement programmes, to be assured that the

structures operate effectively, and timely action is taken to address areas of concern

- c. Agree and put forward the key quality priorities that are included within the ICB strategy/ annual plan, including priorities to address variation/ inequalities in care
- d. Oversee and monitor delivery of the ICB key statutory requirements in relation to quality, safety and clinical effectiveness
- e. Review and monitor those risks on the Board Assurance Framework and Corporate Risk Register which relate to quality, and high-risk operational risks which could impact on care. Ensure the ICB is kept informed of significant risks and mitigation plans, in a timely manner
- f. Oversee and scrutinise the ICB's response to all relevant (as applicable to quality) directives, regulations, national standard, policies, reports, reviews and best practice as issued by the DHSC, NHS England and other regulatory bodies / external agencies (e.g., CQC, NICE) to gain assurance that they are appropriately reviewed and actions are being undertaken, embedded and sustained
- g. Maintain an overview of changes in the methodology employed by regulators and changes in legislation/regulation and assure the ICB that these are disseminated and implemented across all sites
- h. Oversee and seek assurance on the effective and sustained delivery of the ICB quality improvement programmes
- i. Ensure that mechanisms are in place to review and monitor the effectiveness of the quality of care delivered by NHS and independent contractors and place
- j. Receive assurance, including through the Patient Safety Incident Response Framework, that the ICB identifies lessons learned from all relevant sources, including, serious untoward incidents requiring investigation, never events, safety alerts, complaints and claims and ensures that learning is disseminated and embedded
- k. Receive assurance that the ICB has effective and transparent mechanisms in place to monitor mortality and associated metrics, and that it learns from Trusts' Learning From Deaths (LFD) reports (including coronial inquests and LFD reports)
- l. To be assured that people drawing on services are systematically and effectively involved as equal partners in quality activities

- m. Scrutinise the robustness of the arrangements for and assure compliance with the ICB's statutory responsibilities for safeguarding adults and children
- n. Scrutinise the robustness of the arrangements for and assure compliance with the ICB's statutory responsibilities for infection prevention and control
- o. Scrutinise the robustness of the arrangements for and assure compliance with the ICB's statutory responsibilities for equality and diversity as it applies to people drawing on services
- p. Scrutinise the robustness of the arrangements for and assure compliance with the ICB's statutory responsibilities for medicines safety and controlled drugs
- q. Review Patient Group Directions to ensure appropriate governance is in place (before approval by the ICB Medical Director)
- r. Have oversight of and approve the terms of reference and work programmes for the groups reporting into the Committee (e.g., System Quality Groups, Infection Prevention and Control, NENC Local Maternity and Neonatal System, Safeguarding Partnerships/ Hubs, Clinical Reference Groups etc)
- s. Approve arrangements to minimise clinical risk, maximise patient safety and to secure continuous improvement in quality and patient outcomes
- t. Approve clinical, quality and safety policies

7. Behaviours and Conduct

7.1 ICB values

Members will be expected to conduct business in line with the ICB values and objectives. Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

7.2 Equality and Diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

8. Accountability and Reporting

The Committee is directly accountable to the ICB. The minutes of meetings shall be formally recorded and submitted to the ICB Board, in private or public as appropriate.

The Chair of the Committee shall report to the Board (public session) after each meeting and provide a report on assurances received, escalating any concerns where necessary.

The Committee will advise the Audit Committee on the adequacy of assurances available and contribute to the Annual Governance Statement.

The Committee will receive scheduled assurance reports from its delegated groups. Any delegated groups or sub committees would need to be agreed by the ICB Board.

9. Declarations of Interest

All members, ex-officio members and those in attendance must declare any actual or potential conflicts of interest which will be recorded in the minutes. Anyone with a relevant or material interest in a matter under consideration will be excluded from the discussion at the discretion of the Committee Chair.

10. Secretariat and Administration

The Committee shall be supported with a secretariat function which will ensure that:

- i) The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead.
- ii) Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements.
- iii) Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary.
- iv) Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept.
- v) The Chair is supported to prepare and deliver reports to the Board.

vi) The Committee is updated on pertinent issues/ areas of interest/ policy developments.

vii) Action points are taken forward between meetings and progress against those actions is monitored.

11. Review

The Committee will review its effectiveness at least annually and complete an annual report submitted to the Board.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

The Committee will utilise a continuous improvement approach in its delegation and all members will be encouraged to review the effectiveness of the meeting at each sitting.

Version: 1-0

Date of approval: 1 July 2022 TBC

Date of review: 1 July 2023

Integrated Care Board**FINANCE, PERFORMANCE, AND INVESTMENT COMMITTEE –
TERMS OF REFERENCE****1. Constitution**

The NHS North East and North Cumbria Integrated Care Board (NENC ICB) was established by statute on 1st July 2022.

The Board of the NENC ICB has resolved to establish the Finance, Performance, and Investment Committee (the Committee) as a committee of the Board.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board

2. Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) as outlined in these terms of reference
- Commission any reports it deems necessary to help fulfil its obligations
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may not delegate any decisions to such groups.

For the avoidance of doubt, the Committee will comply with the ICB Standing Orders, Standing Financial Instructions, and the SoRD other than the Committee being permitted to meet in private.

The Committee may not establish any subcommittees without prior Board approval as stated in the Constitution and SoRD.

3. Purpose

The Committee will contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board in the development and delivery of a robust, viable and sustainable system financial plan. The meeting will be conducted in two parts:

1. Financial performance of the ICB
2. Financial performance of NHS organisations within the ICB footprint

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

4. Membership and Attendance

4.1 Chair and vice chair

The Committee will be chaired by an Independent Non-Executive Member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee. The Chair cannot also be the Audit Committee Chair.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.

4.2 Membership

Members will possess between them knowledge, skills and experience in accounting, risk management, internal, external audit; and technical or specialist issues pertinent to the ICB's business. When determining the membership of the Committee, active consideration will be made to diversity and equality.

The Board will appoint no fewer than four members of the Committee including two who are Independent Non-Executive Members of the Board.

Membership of Part (1) above will include 11 members:

- ICB Non-Executive Member (Chair)
- ICB Non-Executive Member (Vice Chair)
- ICB Chief Executive (or nominated deputy)
- ICB Executive Director of Finance (or nominated deputy)
- ICB Executive Director of Place Based Delivery - North and North Cumbria (or nominated deputy)
- ICB Executive Director of Place Based Delivery – South and Central (or nominated deputy)
- ICB Executive Director of Strategy and System Oversight (or nominated deputy)
- ICB Executive Medical Director (or nominated deputy)
- ICB Executive Chief People Officer (or nominated deputy)
- ICB Executive Chief Nurse (Quality Lead) (or nominated deputy)

Membership of Part (2) above will include 12 members:

- ICB Non-Executive Member (Chair)
- ICB Non-Executive Member (Vice Chair)
- ICB Chief Executive (or nominated deputy)
- ICB Executive Director of Finance (or nominated deputy)
- ICB Executive Chief Nurse (Quality Lead) (or nominated deputy)
- ICB Executive Director of Strategy and System Oversight (or nominated deputy)
- ICB Board NHS FT Partner Member x 2 (or nominated deputy)
- ICB Provider Sector Finance Director Reps x3 (Acute, MH, Ambulance) (or nominated deputy)

For both Parts 1 and Part 2 of the meeting, nominated deputies as shown above, must be agreed with the Chair. Nominated deputies will have the same rights and responsibilities as members, and where applicable will form part of the quoracy.

4.3 Attendees

Attendees may include the ICB place Directors of Finance. Other Provider sector representatives may be invited to attend, as required.

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee may also be attended by the appropriately nominated individuals who are not members of the Committee.

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters. Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter.

4.4 Attendance

Where a member of the Committee is unable to attend a meeting, a suitable deputy may be agreed with the Chair. Once agreed, that person will have the same voting rights and responsibilities as the member.

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

5. Meetings Quoracy and Decisions

The Committee will meet in private.

The Committee will meet at least 10 times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the Finance, Performance, and Investment Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

5.1 Quorum

For meetings to be quorate a minimum of 50% members is required, including the Chair or Vice Chair and ICB Executive Director of Finance or nominated representative.

If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

5.2 Decision making and voting

Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote. Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter. Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote. If a decision is needed which cannot wait for the next scheduled meeting, the chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

6. Responsibilities of the Committee

The Committee's duties are categorised as follows:

6.1 Part 1 – Financial performance of the ICB

6.1.1 ICB financial framework:

- To recommend the strategic financial framework of the ICB to the Board for approval and monitor performance against it
- To develop the financial information systems and processes to be used to make recommendations to the Board on ICB financial planning in line with the strategy and national guidance
- To recommend SFIs and financial delegations and limits to the Board for approval
- To ensure health and social inequalities are taken into account in financial decision-making.

6.1.2 Resource allocation:

- To develop an approach (consistent with the Scheme of Reservation and Delegation and in accordance with financial delegations and financial limits
- To distribute ICB resources to drive agreed change based on the ICB strategy.
- To agree proposals for the deployment of system wide transformation funding.

- To recommend the ICB non-programme budgets (running costs) to the Board for approval.
- Approval of variations to annual planned budgets (Board/Committee/Individual in accordance with Financial Delegations and Limits).
- Approval of variations to non-programme contracts.
- To identify and allocate resources where appropriate (consistent with the SoRD and in accordance with financial delegations and financial limits) to address finance and performance related issues that may arise within the context of the approved ICB financial framework.

6.1.3 National framework:

- To advise the ICB on any changes to NHS and non-NHS funding regimes and consider how the funding available to the ICB can be best used within the system to achieve the best outcomes for the local population.
- To oversee ICB financial submissions.
- To ensure the required preparatory work is scheduled to meet national planning timelines.

6.1.4 Financial monitoring information:

- To oversee the development of financial and activity modelling to support the ICB priority areas.
- To develop a medium and long-term ICB financial plan which demonstrates ongoing value and recovery for approval by the Board.
- To maintain oversight of the underlying ICB run rate and advise on actions to improve.
- To develop an understanding of where ICB costs sit and the impacts of service change on ICB costs.
- To ensure appropriate information is available to manage ICB financial issues, risks and opportunities.

- To manage financial and associated ICB risks by developing and monitoring a finance and estates risk register, and to escalate to the Corporate Risk Register as appropriate.

6.1.5 Performance:

- To oversee the management of the ICB's own financial targets, to agree and monitor performance against remedial actions as appropriate.
- To agree key outcomes to assess delivery of the ICB financial strategy.
- To monitor and report ICB financial performance against national and local metric, highlighting areas of concern to the Board.
- To monitor and report to the Board key service performance metrics which should be taken into account in assessing the financial position.
- Reviewing ICB financial performance against the NHS System Oversight Framework.

6.1.6 Productivity and efficiencies:

- to ensure ICB efficiencies are identified and monitored and are clearly linked into opportunities at system level.
- to ensure ICB financial resources are used in an efficient way to deliver the organisational and system objectives.
- to review exception reports on any material breaches of the delivery of agreed ICB efficiency improvement plan including the adequacy of proposed remedial action plans.

6.1.7 Communication:

- To co-ordinate and manage ICB communications on financial issues with stakeholders internally and externally.

6.1.8 People:

- To develop a finance staff development strategy to ensure excellence by attracting and retaining the best finance talent.

6.1.9 Capital:

- To ensure effective oversight of future prioritisation and capital funding bids for commissioner capital.

6.1.10 Risk Management:

- Escalate any issues or risks for inclusion on the corporate risk register as necessary.

6.2 Part 2 – Financial performance of the system

6.2.1 System financial framework:

- To recommend to the Board the strategic financial framework of the ICS system, and monitor performance against it
- To recommend for approval the System Collaboration and Financial Management Agreement to both the ICB Board and NHS provider organisations
- To consider and support the development of system approaches to new payment models, to incentivise appropriate system behaviours and to support the achievement of agreed outcomes
- To develop financial information systems and processes to be used to make recommendations to the ICB and partners on system financial planning in line with the strategy and national guidance
- To ensure health and social inequalities are taken into account in financial decision-making.

6.2.2 Resource allocation:

- To advise on the effective use and value for money regarding the deployment of system transformation funding

- To consider and advise on system priorities for investment and disinvestment, utilising evidence- based outcome data to support decisions.

6.2.3 National framework:

- To oversee national ICB system financial submissions
- To ensure the required preparatory work is scheduled across the system to meet national planning timelines.

6.2.4 Financial monitoring information:

- To develop a reporting framework for the ICS as a system of bodies to articulate the financial position and financial impacts (both short and long-term) to support decision-making
- To agree common approaches across the system wherever possible such as financial reporting, estimates and judgements
- To seek assurance over the financial reports from system bodies and provide feedback to them
- To develop a medium and long-term ICS system financial plan which demonstrates ongoing value and recovery
- To maintain oversight of the underlying system run rate and advise on actions to improve
- To develop an understanding of where costs sit across the system, system cost drivers and the impacts of service change on costs, utilising available national tools and data sources to support evidence- based decisions
- To ensure appropriate information is available to manage financial issues, risks and opportunities across the ICS
- To manage financial and associated risks by developing and monitoring a system finance (and estates) risk register.

6.2.5 Performance:

- To oversee the management of the system financial target including the setting of annual and medium-term organisational performance trajectories
- To monitor and manage performance against the system financial target and agree remedial actions, as appropriate
- To agree key outcomes to assess delivery of the ICB system financial strategy
- To monitor and report to the Board overall system financial performance against national and local metrics, highlighting areas of concern and proposing actions to address risk at both organisational and system level
- To monitor provider financial performance against contract and report material exceptions (in line with the delegated limits specified in the SoRD) to the Board
- To monitor and report to the Board key system service performance which should be taken into account in assessing the financial position.

6.2.6 System productivity and efficiency:

- To drive a system wide productivity and efficiency strategy and to ensure system efficiencies are identified and monitored across the ICS, in particular where opportunities for ICS partners working together across organisations can be leveraged
- To ensure financial resources are used in an efficient way to deliver the objectives of the system
- To review exception reports on any material breaches of the delivery of agreed system efficiency improvement plan including the adequacy of proposed remedial action plans.

6.2.7 Communication:

- To co-ordinate and manage communications on system financial messaging with stakeholders internally and externally

- To develop an approach with partners, including the Integrated Care Partnership, to ensure the relationship between cost, performance, quality and environment sustainability are understood.

6.2.8 People:

- To develop a system finance staff development strategy to ensure excellence by attracting and retaining the best finance talent.

6.2.9 Capital:

- To co-ordinate development of the system estates strategy in conjunction with system estate leads and plan to ensure it properly balances clinical, strategic and affordability drivers, for approval by the Board
- To gain assurance that the estates plan is aligned to system financial plan
- To monitor the system capital programme to ensure the system lives within the agreed capital envelope and take action to ensure that it is appropriately and completely utilised
- To develop plans to ensure effective oversight of future prioritisation and capital funding bids.

6.2.10 Risk management:

- Escalate any issues or risks for inclusion on the corporate risk register as necessary.

7. **Behaviours and Conduct**

7.1 **ICB values**

Members will be expected to conduct business in line with the ICB values and objectives. Members, and those attending the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

7.2 Conflicts of interest

In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to the NHS guidance on managing conflicts of interest.

Conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Chair and submitted to the Board. If a conflict of interest arises, the Chair may require the affected member to withdraw at the relevant point.

7.3 Equality and diversity

Members must demonstrably consider the equality and diversity implications of decisions they make.

8. Accountability and Reporting

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The Chair and Vice Chair will be Non-Executive Members of the Board.

The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year.

The Committee is directly accountable to the ICB. The minutes of meetings shall be formally recorded and submitted to the ICB Board, in private or public as appropriate.

9. Secretariat and Administration

The Committee shall be supported with a secretariat function which will ensure that:

- i) The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead
- ii) Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements
- iii) Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary

- iv) Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept
- v) The Chair is supported to prepare and deliver reports to the Board
- vi) The Committee is updated on pertinent issues/ areas of interest/ policy developments
- vii) Action points are taken forward between meetings and progress against those actions is monitored.

10. **Review**

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

Version: v1-0

Date of approval: 1 July 2022 TBC

Date of review: 1 July 2023