Agenda Item: 17

The Queen Elizabeth Hospital King's Lynn
NHS Foundation Trust

THE INVESTMENT AND INNOVATION EXECUTIVE GROUP

TERMS OF REFERENCE – AUGUST 2020

1. Overall Purpose:

The Investment and Innovation Executive Group ('the Group') is established as a group reporting to the Senior Leadership Team (SLT). The Group will optimise investment decision making within a robust governance framework that takes account of risk appetite whilst delivering value for money.

2. Key Responsibilities:

The Investment and Innovation Executive Group will:

- Review and endorse for approval all relevant financial policies, procedures and processes including the Standing Financial Instructions and Scheme of Delegation;
- Monitor the Trust's performance against approved financial policies and procedures;
- Ensure that corrective action is taken in a timely manner when there is deviation from approved financial policies and procedures.
- Ensure timely implementation of internal and external audit recommendations that have been identified as part of financially related internal and external audit programmes.
- Ensure that Trust financial policies and procedures are maintained and remain updated with respect to national guidance (eg DHSC guidance) and national or international changes within financial accounting standards (eg adoption of new accounting standards).
- Ensure the business case process for revenue and capital expenditure is robust and ensures that approvals are in line with the Trust's Standing Financial Instructions and Scheme of Delegation.
- Review all business cases in advance of approval through the Senior Leadership Team and progression to Trust Board approval if required.
- Ensure that all investment decisions identified through the business case process are considered against the risk appetite of the Trust and that each investment is tested to ensure value for money is delivered. A more comprehensive list of the criteria for assessing and prioritising investment is described in Appendix 1.
- Ensure that all Trust Board approved business cases are subject to a post investment appraisal process to validate the delivery of the investment objectives.
- Communicates and sets the parameters for the financial elements of the annual planning process following the receipt and interpretation of national planning guidance.
- Reviews and monitors the CIP / waste reduction programmes and ensures corrective actions are in place to address negative deviations from schemes.
- Liaises across the STP to ensure Trust wide financial plans are consistent with the wider system assumptions and requirements.
- Prepare, in conjunction with STP partners, an annual capital plan taking account of Trust investment criteria and risk appetite.
- Reports and monitors the delivery of the annual capital and revenue plan and ensure that corrective action is in place when a positive or negative deviation is experienced.
- Leads the long term financial modelling and strategic financial planning process for the Trust whilst liaising with STP partners to ensure consistency across the STP.

- Reviews all commercial (non-clinical and non-educational) income generating opportunities ensuring that robust contract management processes are in place and value for money is gained.
- Reviews and explores all available alternative sources of finance for programmes that allow more innovative methods of funding.
- Explores all possible innovation opportunities and supports the Research and Innovation Forum in progressing these opportunities;
- Assists in the co-ordination of the activities of the reporting fora as detailed within section 3;

3. Accountability and Relationships:

The Group is accountable to the Senior Leadership Team (SLT). The Group will:

- ensure that all of its reporting Fora have regularly reviewed Terms of Reference and appropriate membership;
- ensure that all of its reporting Fora submit annual reports, using the Trust template;
- receive and monitor Chair's Assurance Reports from each of its reporting Fora; and
- provide Chair's Assurance Reports from its meetings to the SLT and the relevant Committee/s of the Board.

Fora reporting to the Group are:

- Digital Forum
- Finance and Commercial Forum
- Medical Devices and Equipment Forum

The chairs of reporting Fora will be expected to attend meetings of the Group.

Chair's Assurance Reports of the reporting Fora will be standing agenda items of the Group.

The Group will co-operate with and support the Finance and Activity Committee and Audit Committee in carrying out its responsibilities for providing assurance to the Board in respect of the effectiveness of the Trust's financial systems, processes and key controls (Board Assurance Framework).

4. Membership:

- **Chair**: Director of Finance
- Director of Transformation
- Director of Strategy
- Deputy Chief Operating Officer
- Deputy Chief Nurse
- Deputy Director of Finance
- Lead for Research and Innovation
- Head of Digital
- Head of Procurement
- Associate Director of Estates and Facilities
- EBME Manager

5. In attendance by invitation:

- Financial Controller
- Assistant Director of Finance - Financial Management
- Finance Business Partners
- Any other officer of the Trust

6. Frequency of meetings and attendance

Meetings of the Group will normally be held monthly.

Members are expected to attend at least 75% of meetings in a 12 month period.

Members and invited attendees unable to attend, should notify the Chair of the Group, 3 days in advance of the meeting and should identify a substitute to attend, who is appropriately briefed to present any necessary reports and participate in the meeting.

The Deputy Director of Finance will act as Chair of the Group in the event of the named Chair being unable to attend.

7. Rules:

- Ordinary meetings will be held in accordance with the Trust's Annual Governance timetable and will be arranged 12 months in advance where possible;
- Extraordinary meetings may be called with the agreement of the Chair, where necessary:
- Urgent business within the remit of the Group, requiring attention between meetings may be conducted, or escalated to the SLT;
- 'Any Other Business' to be notified to the Group Chair prior to the meeting;
- Agendas and papers will be published 5 working days in advance of the meeting, where possible;
- Meetings to be minuted and separate action points recorded and circulated promptly within 5 days of the meeting;
- A quorum will consist of 50% of core members including either the Director of Finance or the Deputy Director of Finance;
- The minutes will be reported to and approved by the Group, at its next meeting; and
- The Group will make an Annual Report to the SLT, incorporating an annual self-assessment of its effectiveness against its terms of reference, submitting the self-assessment and any action/improvement plan resulting from the self-assessment.

8. Authority

The Group may investigate, monitor and review any activity within its terms of reference. It may seek information from employees, and employees are directed to co-operate with requests made by the Group.

The Group may secure the attendance of any individual with relevant experience and expertise if it considers this necessary. The Group may seek to commission external specialist advice within policy and within budget.

The Group may only approve proposals with financial implications, within its delegated authority and within policy and budget. Where decisions are required, which fall outside the delegated

authority of the Committee, a recommendation for approval shall be made to the relevant committee via the Chair's Assurance Report and submission of supporting papers.

9. Monitoring Compliance with these Terms of Reference:

The Group's Annual Report will be used to assess the Group's compliance with its terms of reference. Compliance will be assessed by the SLT in consultation with the Chair of the Group.

10. Review

The Group's Terms of Reference will be reviewed annually.

Author:	Chris Benham
Date:	August 2020
Ratified by:	The Senior Leadership Team
Date Ratified:	
Review Date:	September 2021

Appendix 1

Criteria for Assessment and Prioritisation of Investment Opportunities

The key criteria for assessing and prioritising investment opportunities are:

- The extent that the investment addresses key areas of risk of the Trust (with recognition of the Trust's risk appetite in that area); and
- The delivery of value for money.

These following additional criteria are to be used to help prioritise capital and/or revenue investment opportunities that meet the key criteria above. The list is not intended to be exhaustive and can be extended as required.

- Investment to achieve a greater saving than the level of investment ie 'spend to save' initiative;
- Investment to achieve a more sustainable service delivery model including initiatives to right size service capacity;
- Investment as part of service expansion or service change/enhancement;
- Investment to achieve waiting list targets and/or changes to performance standards;
- Investment required to improve quality of services for patients/carers;
- Investment required to improve staff conditions;
- Investment required to mitigate or significantly reduce a departmental/service/organisational risk;
- Investment to replace obsolete equipment or equipment at the end of its economic life;
- Investment to support the digitisation improvement programme;
- Investment to address statutory compliance requirements including health and safety and the management of backlog maintenance;
- Investment to improve the sustainability of the infrastructure and/or revenue costs.