

Board of Directors Meeting 12 September 2024

Agenda item	140d/24		
Report Title	Performance Assurance Committee, first terms of reference		
Executive Lead	Director of Governance – Anna Milanec		
Report Author	Director of Governance – Anna Milanec		
CQC Domain:			
		Link to Strategic Goal:	Link to BAF / risk:
Safe	√	Our patients and community	BAF 1, BAF 8, BAF 9. BAF10, BAF 11.
Effective	√	Our people	
Caring	√	Our service delivery	Trust Risk Register id: 954, 535, 863,128, 918, 917, 757, 825, 878, 648, 761,1007.
Responsive	√	Our governance	
Well Led	√	Our partners	
Consultation Communication	<ul style="list-style-type: none"> • Board of Directors' discussion 8 August 2024 • Chair of PAC with Director of Governance 		
Executive summary:			
Executive summary:	<p>As part of the restructure of the board assurance framework, the former Finance and Performance Assurance Committee has been developed into the new Finance Assurance Committee (FAC), with performance, and other elements, being transferred to the new, separate committee, the Performance Assurance Committee (PAC), the proposed terms of reference appear in appendix 1.</p> <p>The PAC will also incorporate oversight and assurance of the digital and estate strategies and the development of a long-term strategy that addresses all identified operational business risks and opportunities , including those deriving from partnership working</p>		
Recommendations to the Board:	<p>The Board is asked to:</p> <ul style="list-style-type: none"> • Consider and approve the terms of reference for the new Performance Assurance Committee; and • Approve the disestablishment of the Finance and Performance Assurance Committee 		
Appendices:	Appendix 1: Performance Assurance Committee Terms of Reference		

Performance Assurance Committee

Terms of Reference (v1)

1. Constitution

- 1.1 The Board of Directors hereby resolves to establish a committee of the Board to be known as the Performance Assurance Committee (PAC) (“the Committee”).
- 1.2 The Committee is an independent non-executive Committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference, or otherwise by the Board of Directors through its Scheme of Delegation.
- 1.3 As a Committee of the Board, the Standing Orders of the Trust shall apply to the conduct of the working of the Committee.

2. Authority

- 2.1 The Committee is authorised by the Board of Directors to investigate any activity within these terms of reference.
- 2.2 It is authorised to seek any information it deems relevant to fulfil its duties which may require any Trust employee to attend a meeting of the Committee to present information or answer questions on a matter under discussion.
- 2.3 The Committee is authorised by the Board of Directors to obtain external professional advice and to invite external representatives or consultants with relevant experience and expertise to attend if necessary.
- 2.4 These Terms of Reference can be amended only with the approval of the Board of Directors.

3. Purpose

- 3.1 The Committee shall be responsible for providing independent assurance to the Board of Directors regarding the development and delivery of the Trust’s annual business plan:
- 3.2
 - 3.1.1. The Committee will provide assurance to the Board of Directors on the performance of the Trust across a range of performance indicators within the Integrated Performance Report, including on access standards, quality, and workforce.¹
 - 3.1.2 To ensure that the Trust has an appropriate Estates Strategy.
 - 3.1.3 To ensure that the Trust has an appropriate Digital Strategy.
- 3.2 The Committee should also have oversight of the following:

¹ FAC will oversee financial performance and delivery of KPIs.

3.2.1. The development of a long-term strategy that addresses all identified operational business risks and opportunities, including those deriving from partnership work.

4. Committee Membership

- 4.1** The membership of the Committee shall be appointed by the Board of Directors, from amongst its independent Non-Executive Directors, based on recommendations from the Trust Chair, and shall consist of not less than five members.
- 4.2** One of the members shall be the Chair of the Committee and shall be appointed by the Board of Directors from amongst its independent Non-Executive Directors. In the absence of the nominated Chair at a meeting, another Non-Executive Director will chair the meeting.
- 4.3** The Chief Operating Officer (“Lead Executive”) and Assistant Chief Executive Officer will be members of the Committee
- 4.4** The Trust Chair shall not be a member of the Committee but may attend to observe.
- 4.5** Only members of the Committee shall attend the meetings, save for those stated in section 5 of these terms of reference.

5. Attendees

- 5.1** The following colleagues will be expected to attend when the agenda requires, noting that this is likely to be *some* Committee meetings:
- Director of Digital, and Executive Lead
 - Director of Estates, and Executive Lead
- 5.2** Those who normally attend, may by exception, send a deputy to the meeting, with prior consent of the Chair. The deputy shall be sufficiently well briefed and knowledgeable about the items to be discussed and shall be prepared to engage in assurance discussions and challenge.
- 5.3** Other executive directors may be invited to attend meetings, particularly when the Committee is discussing areas of risk or operation that are within the portfolio of that director.
- 5.4** The Committee has the power to require attendance by any member of Trust staff, as felt necessary by the Committee Chair. It is for the Committee Chair to indicate whether senior members of the Trust attend, according to the requirements of each agenda. Senior members of the Trust / managers should be given sufficient notice that their presence is required so that they attend fully prepared.
- 5.5** The Committee has the power to invite individuals who are not Trust staff where the Committee Chair, at their discretion, considers that their opinions and expertise would be of benefit to the Committee.
- 5.6** With regard to sections 5.1 to 5.6, none of the attendees will have voting rights, and it is for the Chair to determine whether such individuals attend Committee meetings in their entirety, or only in part.

5.7 The Company Secretary may attend any of the meetings and will ensure that an efficient secretariat service is provided to the Committee and will also support the Chair and Committee members.

5.8 Meetings are not open to members of the public.

6. Quorum

6.1 The Committee will be deemed quorate to the extent that the following members are present:

- two Non-Executive Directors, one of whom shall be the Chair of the meeting; and
- one of either the Chief Operating Officer or the Assistant Chief Executive Officer

6.2 All members are expected to attend at least 80% of meetings throughout the financial year.

6.3 No business shall be transacted by the Committee unless a quorum is present. A quorate meeting shall be competent to exercise all or any of the authorities, powers and duties vested in, or exercised by the Committee.

6.4 At the discretion of the Chair of the Committee, business may be transacted through either: a tele/video-conference where an agenda has been issued in advance; or through the signing by two thirds of members of a written resolution sent in advance to members and recorded in the minutes of the next formal meeting.

7. Responsibilities of Members

7.1 If unable to attend, members must send their apologies to the Chair and Committee Secretary with adequate notice prior to the meeting.

7.2 When matters are discussed in confidence at the meeting, such confidences should be maintained by both members and attendees.

7.3 At the start of the meeting, any relevant conflicts of interest/potential conflicts of interest in respect of specific agenda items should be declared in order that these can be considered by the Committee Chair in relation to participation in the agenda item.

7.4

8. Duties of the Committee

8.1 Operational performance: (monthly)

8.1.1 To scrutinise and obtain assurance around the Trust's Integrated Performance Report and other relevant performance information², including workforce KPIs, and ensure that the Trust is performing in line with national, local and regulatory expectations.

8.1.2 Scrutinise key indicators, noting any trends, exceptions and variances where performance is deteriorating and/or is off-trajectory and seek assurance that appropriate actions are being taken to bring performance back to trajectory.

8.1.3 To oversee assurances on improvement in key areas of operational performance as considered by Operational Performance Group, including in elective, diagnostic, cancer and emergency care, reporting to Board

² FAC will oversee financial performance indicators

- 8.1.4 Commission and consider risk-based divisional or trust-wide in-depth performance metric or constitutional standard reviews on a cyclical basis to ensure robust assurance is received.
- 8.1.5 Consider reports and receive assurance in relation to data quality systems and processes that support the Trust's operational performance reporting.
- 8.1.6 Seek assurance that key performance risks, included in the Board Assurance Framework, are being effectively managed and mitigated.
- 8.1.7 To consider the implications on the Trust of national operational planning guidance³ and formulate recommendations to the Board.

8.2 Digital Strategy: (quarterly)

- 8.2.1 To review the Digital Strategy, its further development and implementation, its links to clinical service and financial strategies and ensure it supports the delivery of efficient and effective healthcare and meets all legislative duties and national targets.
- 8.2.2 To seek assurance on behalf of the Board of Directors that the Trust's Digital Assurance Framework is operating effectively and routinely monitoring the effective delivery of digital services. To receive exception reports with due explanation and ensure any remedial actions are taken as necessary by the Executive Team.
- 8.2.3 To make recommendations to the Board of Directors on the level of current and future investment required to deliver digital requirements across the Trust effectively.

8.3 Estates Strategy: (quarterly)

- 8.3.1 To review the Estates Strategy, its formulation, development and implementation, its links to service and financial strategies and compliance with all legislative duties and national targets
- 8.3.2 To seek assurance on behalf of the Board of Directors that the Estates Strategy is linked to the delivery of the Trust's clinical service objectives⁴; that there is an up-to-date asset register linked to service provision; there is effective space utilisation and a robust disposal policy for redundant estate
- 8.3.3 To seek assurance on behalf of the Board of Directors that the Trust has appropriate strategies relating to the environment and sustainability and that policies are effectively implemented and monitored.

8.4 Partnerships

- 8.4.1 Receive and consider assurances on the progress of the integrated care system partnerships and strategies, and local health and care system working.

³ FAC will oversee planning guidance relating to financial matters / performance.

⁴ FAC will oversee delivery of the financial estates objectives, and ensuring that the Trust's capital assets are properly and effectively utilised

8.5 Ad hoc duties: (when required)

- 8.5.1 For the Committee Chair to refer to the Audit Risk and Assurance Committee (ARAC), or Chair of ARAC any identified unresolved risks arising within the scope of these terms of reference that require Executive action or that pose significant threats to the operation, resources or reputation of the Trust.
- 8.5.2 Review any performance issues referred to the Committee by the Board of Directors.
- 8.5.3 Seek assurance that key performance risks, included in the Board Assurance Framework are being effectively managed and mitigated.
- 8.5.4 Receive and review reports on significant concerns or adverse findings highlighted by regulators, peer review exercises and other external bodies in relation to areas under the remit of the Committee, seeking assurance that appropriate action is being taken to address these.

9. Frequency of Meetings

- 9.1 The Committee shall meet at least 10 times annually, usually at monthly intervals.
- 9.2 The Board of Directors, or Committee Chair, or CEO, may request an additional meeting if they consider that one is necessary to enable the Committee to discharge all its responsibilities.

10. Meeting administration

- 10.1 Meetings dates will be agreed by the Committee members each year in advance. Notice of additional meetings will be given at least 7 days in advance (where practicable) unless members agree otherwise.
- 10.2 The agenda shall be determined by the Committee's agreed annual cycle of business/schedule, together with the Committee Chair, and the Lead Executive for the Committee.
- 10.3 Agenda papers shall be submitted to the Company Secretary or their nominee, at least 10 days prior to the meeting.
- 10.4 The agenda and papers will normally be circulated at least 6 days prior to the meeting.
- 10.5 The Company Secretary, or their nominee, shall record the minutes of the meetings and provide relevant support for agenda setting, action logs and meeting invitations.

11 Reporting

- 11.1 The Committee shall report to the Board of Directors on how it discharges its responsibilities through regular summary reporting. (4-A Reports)
- 11.2 The minutes of Committee meetings shall be formally recorded and made available to the Board of Directors. The Committee Chair shall bring to the Board's attention significant matters that are under consideration and make necessary recommendations on any area within its remit where executive action may be required.

12. Monitoring Effectiveness

12.1 The Committee will carry out an annual review of its effectiveness and provide an annual report to the Board on its work in discharging its duties, delivering its objectives and complying with its terms of reference.

13. Status of these Terms of Reference

13.1 The Committee's Terms of Reference, including membership, will be subject to annual review. Any proposed variations will require approval of the Board of Directors.

Approved by the Board of Directors on

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