

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE - TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Finance, Procurement and Performance Committee (FPPC) is established, as a committee of the Board
- 1.2 The purpose of the Committee is to provide an independent and objective view and keep under review the financial position of NSS, procurement and sustainability activity and performance management, and provide assurance to the NSS Board that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of all resources, and that the arrangements are working effectively.
- 1.3 The Committee will work within the principles of the Blueprint for Good Governance – Second Edition, to ensure effective management, improved performance, and good outcomes for all stakeholders.

2. Membership

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- 2.1 Membership shall comprise six non-executive members of the Board, including the Board Chair. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Director of Finance, Corporate Governance and Legal Services shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.
- 2.3 The Chief Executive and Directors of National Procurement (NP), Strategy, Performance, and Service Transformation (SPST) and NHSScotland Assure will also be in attendance.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

4.1 The Committee shall meet as required but not less than four times a year.

Minutes of Meetings

4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either approved or draft format, as the means of updating the Board on the work of the Committee.

Private Meetings

4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.

4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

5.1 The FPPC is to report activities and progress annually to the NSS Board as described in these terms of reference. The FPPC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

5.2 The FPPC will produce an Annual Report of the Committee's activities to provide assurance as set out in remit at 1. This report will be timed to support the preparation of the Annual Governance Statement within the Annual Report and Accounts.

6 Delegated Functions

6.1 The delegated functions of the Committee are:

6.1.1 To scrutinise and recommend to the Board for approval:

6.1.1a Annual, 3-year or 5-year (as required) Delivery Plan and Financial Plans prepared consistent with statutory financial responsibilities.

6.1.1b Draft annual NSS Delivery Plan for submission to the Scottish Government.

6.1.1c NSS Property and Asset Management Strategy and action plan.

6.1.1d NSS Climate Sustainability Strategy and action plan.

6.1.1e NSS Standing Financial Instructions, .

6.1.2 To approve:

6.1.2a At Outline Business Case or Full Business Case stage property transactions undertaken in accordance with the NHS Scotland Property Transactions Handbook.

6.1.2b NHS Scotland Procurement Strategy, Workplan and Annual Report.

6.1.2c NSS Procurement Strategy, Workplan and Annual Report.

6.1.2d Any procurements which require the authority of the Board under NSS Standing Financial Instructions.

6.1.2e Budget limits and set business performance targets for all Directorates except in respect of earmarked funds allocated for specific purposes by Scottish Government.

6.1.2f The NSS Public Bodies Climate Change Duties Report.

6.1.2g New Income contracts above £500,000.

6.1.3 In order to assure themselves, the FPPC will review and scrutinise reports on:

6.1.3a Financial and operational performance against plans and delivery against Delivery Plan targets, and to consider the appropriateness and effectiveness of current and planned management actions.

6.1.3b Any occurrences where the Standing Financial Instructions have not been followed and reports specifically required by the SFIs (see appendix 1).

6.1.3c The performance of programmes delivered by NSS on behalf of NHS Scotland.

6.1.3d Delivery against the NSS Financial Sustainability Plan.

6.1.3e The Strategic business risks plus red business risks and issues contained in the NSS corporate risk register, along with any appropriate risks flagged by the Director of Finance, Corporate Governance and Legal Services. Reports will incorporate associated management actions as set out in the Integrated Risk Management Approach.

6.1.3f The content of financial reporting and information presented to the Board

6.1.4g The performance against delivery of the NSS climate sustainability objective including the National Sustainability Assessment Tool (NSAT) and the Sustainability Performance Report.

6.1.4 To review the financial aspects and make recommendations for any Business Cases beyond the scope of delegated financial authority before it is presented to the Scottish Government for approval. All business cases shall comply with the Scottish Capital Investment Manual.

Appendix 1 – Reports specifically required by SFIs.

SFI Reference	Requirement	Frequency	Lead officer as per Scheme of Delegation
6.07	Family Health Services Payments – payments and performance	Regular Reported to ARC via Service Audit	Director of Practitioner and Counter Fraud Services
6.07	Family Health Services – financial governance and control	Regular Reported to ARC via Service Audit	Director of Finance, Corporate Governance and Legal Services
6.12	Exceptions to procurement guidelines.	Quarterly	Director of Finance, Corporate Governance and Legal Services
6.28	Advance payment (non-contractual) for goods/services.	Annual	Director of Finance, Corporate Governance and Legal Services
8.04	Procurement staff/CLO advice not accepted	Quarterly	Director of National Procurement
8.12/9.14	Sole Source Justification report.	Annual	Director of Finance, Corporate Governance and Legal Services
9.13	Supplier management activity.	Annual	Director of National Procurement