

**NAME OF MEETING 12 JUNE 2019**  
**AGENDA ITEM NO 4a**

**Item for Decision/Assurance/Information** (Please underline and bold)

**DATE OF MEETING 12 JUNE 2019**

<b>Report of:</b>	Steve Dixon, Chief Finance Officer and Deputy Accountable Officer, Salford CCG
<b>Date of Paper:</b>	4 <sup>th</sup> June 2019
<b>Subject:</b>	Service and Finance Group (SFG) Terms of Reference
<b>In case of query Please contact:</b>	Steve Dixon
<p><b>Purpose of Paper:</b>          This paper updates the Adults' Commissioning Committee on the purpose and scope of the Service and Finance Group (SFG) which undertakes detailed analysis and challenge on the finance, contract and procurement issues in relation to services within the scope of the Integrated Fund.</p> <p>The terms of reference of the SFG are included in the report for comments from ACC</p>	

**Further explanatory information required**

<b>HOW WILL THIS BENEFIT THE HEALTH AND WELL BEING OF SALFORD RESIDENTS OR THE CLINICAL COMMISSIONING GROUP?</b>	Detailed due diligence on contracts and finance performance will ensure value for money for the residents of Salford.
<b>WHAT RISKS MAY ARISE AS A RESULT OF THIS PAPER? HOW CAN THEY BE MITIGATED?</b>	
<b>WHAT EQUALITY-RELATED RISKS MAY ARISE AS A RESULT OF THIS PAPER? HOW WILL THESE BE MITIGATED?</b>	None
<b>DOES THIS PAPER HELP ADDRESS ANY EXISTING HIGH OR EXTREME RISKS FACING THE ORGANISATION? IF SO WHAT ARE THEY AND HOW DOES THIS PAPER REDUCE THEM?</b>	The financial challenge within public sectors is a high risk- therefore robust process are required to validate, monitor and report on the financial position and recommend remedial action to decision making committees.
<b>PLEASE DESCRIBE ANY POSSIBLE CONFLICTS OF INTEREST ASSOCIATED WITH THIS PAPER.</b>	None
<b>PLEASE IDENTIFY ANY CURRENT SERVICES OR ROLES THAT MAY BE AFFECTED BY ISSUES WITHIN THIS PAPER:</b>	None

Footnote:

Members of – Adults' Commissioning Committee will read all papers thoroughly. Once papers are distributed no amendments are possible.

<b>Document Development</b>
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Process	Yes	No	Not Applicable	Comments and Date (i.e. presentation, verbal, actual report)	Outcome
Public Engagement (Please detail the method i.e. survey, event, consultation)			N/A		
Clinical Engagement (Please detail the method i.e. survey, event, consultation)			N/A		
Has 'due regard' been given to Equality Analysis (EA) of any adverse impacts? (Please detail outcomes, including risks and how these will be managed)		No			
Legal Advice Sought			N/A		
Presented to the Service and Finance Group				Discussed at Service and Finance Group on 4 <sup>th</sup> June 2019.	Amendments made to the Terms of reference in relation to membership and the links with Primary Care
Presented to any other groups or committees, including Partnership Groups (Please specify in comments)		No			

**Note:** Please ensure that it is clear in the comments and date column how and when particular stakeholders were involved in this work and ensure there is clarity in the outcome column showing what the key message or decision was from that group and whether amendments were requested about a particular part of the work

## Service and Finance Group Terms of Reference

### 1. Executive Summary

*Within the Partnership Agreement that underpins the Integrated Commissioning arrangements, the CCG is the administrator of the Integrated Fund. As the administrator, the CCG is responsible for the financial monitoring and reporting of services within the Integrated Fund. In order to fulfil that duty, the CCG needs to ensure appropriate level of validation of information and robust systems are in place for monitoring of contracts.*

*The Service and Finance Group (SFG) is made up of members from both the Council and CCG, representing associate Directors responsible for specific service and representing finance, contracting and procurement expertise. The SFG is a group that undertakes robust checking and monitoring of all service and provides the Integrated Commissioning Committees with assurance that detailed discussion and consideration on finance, contract and procurement issues have been undertaken prior to papers and decisions being made at the Commissioning Committees.*

*The Terms of Reference of the SFG are attached.*

*Given that SFG supports both Adults' Commissioning Committee and Children's Commissioning Committee, the Terms of Reference will need comment from both committees. If both committees are broadly in agreement with the Terms of Reference and there are no material amendments, then the Terms of Reference will be approved. Otherwise, the Terms of Reference will need amending and approving by the Health and Care Commissioning Board.*

*The Adults Commissioning Committee (ACC) is asked to:*

- note the work and role of the SFG*
- comment on the Terms of Reference for SFG.*

**Steve Dixon**  
**Chief Finance Officer and Deputy Accountable Officer**  
**Salford CCG**

**SALFORD CITY COUNCIL  
AND  
NHS SALFORD CLINICAL COMMISSIONING GROUP**

**TERMS OF REFERENCE  
FOR THE  
SERVICE AND FINANCE GROUP**

**DRAFT V2.0**

## VERSION CONTROL

Version Number	Date	Editor	Purpose/Change
1.0	9/5/2019	Steve Dixon	First draft issued for comment – ahead of first discussion at SFG 4/6/2019.
2.0	4/6/2019	Steve Dixon	Updated following discussion at Service and Finance Group on 4 <sup>th</sup> June 2019. Main changes in relation to overarching purpose (to underpin Integrated Commissioning arrangements), membership and clarification on arrangements for Primary Care.

## Service and Finance Group

### Terms of Reference

DRAFT V1.0

## 1 Purpose and Scope

Within the Partnership Agreement that underpins the Integrated Commissioning arrangements, the CCG is the administrator of the Integrated Fund. As the administrator, the CCG is responsible for the financial monitoring and reporting of services within the Integrated Fund. In order to fulfil that duty, the CCG needs to ensure appropriate level of validation and robust systems are in place for monitoring of contracts. The SFG is the group that undertakes that duty.

The scope of the Service and Finance Group's (SFG) remit is to have responsibility to provide oversight and assurance to the Children's Commissioning Committees and Adults' Commissioning Committee for services in scope of the Integrated Fund in relation to performance, finance, contracts and procurement. **Primary Care is excluded at this point as there is a Primary Care Operation Group that considers Primary Care finance and contract issues. Any decision on Primary Care would be taken at Primary Care Commissioning Committee. There might be some strategic finance or contract issues in relation to primary care that might need to come to SFG, for example discussing the financial framework for the Salford Standard but these will be discussed on a case by case basis.**

SFG will provide scrutiny of any business cases or service reviews that relate to investment and disinvestment opportunities.

For CCG services that are In View, SFG will provide finance, procurement and contract advice to the CCG's Executive Team.

## 2 Core Principles and Responsibilities

**The work of the SFG will be driven by the following core principles:**

- ✓ Decisions will be based on achieving better outcomes and experience for people who require Health and Care Services;
- ✓ Service transformation will deliver an effective and efficient use of resources whilst assuring safe and effective standards of service;
- ✓ New care models will be developed by health and social care commissioners in partnership with providers, citizens and communities;
- ✓ Services will be evidence-based and of the best quality, encompassing safety, effectiveness and experience;

- ✓ Salford residents will be given more choice and control of services, supporting self-care and independence;
- ✓ Clinical and democratic accountability will be implicit within all decisions;
- ✓ Respect for professional areas of knowledge and expertise;
- ✓ Collective management of risks and benefits; and
- ✓ Each organisation remains sovereign: whilst responsibilities can be delegated, accountability cannot without explicit approval from each respective organisation.

**The SFG has responsibility to deliver clearly defined objectives which are detailed below:**

- ✓ To develop and implement Contracting Strategies for health and social care services;
- ✓ To develop and ensure compliance with a joint Procurement Policy for health and care services;
- ✓ To monitor performance, finance and activity of all contracts within the scope of the Children’s Commissioning Committee and Adults’ Commissioning Committee;
- ✓ To monitor financial performance of the Integrated Fund and report to the Children’s Commissioning Committee and Adults’ Commissioning Committee;
- ✓ To review business cases and service reviews and provide recommendations to the relevant decision making committee;
- ✓ To consider and comment on the main provider’s Cost Improvement Programmes (CIPs) from a commissioning perspective;
- ✓ To prepare regular reports for the Integrated Commissioning Committees on assurance, risk management, and contract compliance;
- ✓ To oversee Salford’s Best Value programme.

Anything that has a finance, contract or procurement implication should be routed through SFG prior to going to any decision making committee. The Associate Director members of the SFT will consider whether any decisions can be taken under their delegated authority and therefore does not need to be routed through SFG. This could be based on the financial value of the proposed change.

### 3. Membership, Attendance and Quorum

**Membership:** The SFG will comprise the following core members:

Members	Organisation
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<ul style="list-style-type: none"> <li>➤ Chief Finance Officer (Chair)</li> <li>➤ Assistant Director of Commissioning</li> <li>➤ Head of Finance and Contracting (Deputy Chair)</li> </ul>	<b>NHS Salford CCG</b>
<ul style="list-style-type: none"> <li>➤ Chief Finance Officer</li> <li>➤ Public Health Consultant</li> <li>➤ Associate Director representing Children’s</li> <li>➤ Head of Procurement</li> </ul>	<b>Salford City Council</b>
<ul style="list-style-type: none"> <li>➤ Assistant Director of Integrated Commissioning</li> </ul>	<b>Salford City Council and NHS Salford CCG</b>
<b>In Attendance</b>	<b>Organisation</b>
<ul style="list-style-type: none"> <li>➤ Associate Director Best Value</li> <li>➤ Head Service Improvement Representative (s)</li> <li>➤ Senior Contracting Representative (s)</li> <li>➤ Senior Finance Representative (s)</li> <li>➤ Business Intelligence Representative</li> </ul>	<b>Salford City Council and NHS Salford CCG</b>

Other attendees will be co-opted as necessary on an ad-hoc basis to inform discussions on specific agenda items.

The SFG will be chaired by NHS Salford CCG’s Chief Finance Officer (CFO). The Deputy Chair is the CCG’s Head of Finance and Contracting.

The main contact at NHS Salford CCG will be the Personal Assistant (PA) for Finance. Defined duties will specifically include the circulation of agendas and papers on the Friday ahead of the meeting the following week. In addition, the PA will assist the chair(s) in the management of all associated business.

**Attendance:** It will be important that nominated members commit to attend the SFG. Where this is not possible, however, deputies are encouraged to attend. Deputies must be able to contribute and make decisions on behalf of the individual they are representing. Deputising arrangements should be agreed in advance with the Chair.

**Quorum:** The SFG will be quorate providing at least 50% of the membership is in attendance, with at least two members in attendance from each of NHS Salford CCG and Salford CC present. For clarity for Salford CCG or Council, this includes joint appointments.

It would be possible for nominated deputies not listed in the membership to also fulfil this requirement.

**Responsibilities and Behaviour:** Members of the SFG have a collective responsibility for its operation. They will participate in discussion, review evidence and provide objective expert input to the best of their knowledge and ability, and endeavour to reach a collective view.

Members of the SFG will recognise that the success of the work programme will depend upon relationships and an environment of trust, collaboration and innovation.

**Decision Making Authority:** This group has no decision making authority. The Scheme of Delegation for the Integrated Commissioning arrangements is set out in Appendix 2. In relation to services that are in scope of the Integrated Fund, the SFG will make recommendations to:

- the relevant Integrated Commissioning Committee if a decision is in excess of £150k.
- the Chief Finance Officer of NHS Salford CCG, the Strategic Director of Adult and Children's Services at Salford CC and the Director of Public Health if a decision is required that is below the value of £150k.

In relation to CCG services that are In View, the SFG will make recommendations to the CCG's Executive Team where the annual financial value is above £150k. For decisions on In View services where the financial value is below £150k, decisions can be taken through an individual officer's delegated authority as set out in the CCG's Schemes of Delegation.

#### 4. Patient and Public Involvement

The Service and Finance Group will seek assurances that appropriate service user/patient and public involvement has taken place relating to contracted services.

#### 5. Conflicts of Interest/ Codes of Conduct

Members will be aware of what may constitute a Conflict of Interest, will ensure that Conflicts of Interest are formally disclosed and will ensure they are subsequently managed in adherence with the organisations' respective Conflict of Interest Policies. In addition, appropriate Codes of Conduct will be followed at all times.

The group will formally record its deliberations within relevant minutes/action notes. This function will be undertaken by the CCG's Personal Assistant (PA) for Finance, alongside the management of paperwork and version control.

Depending upon the topic under discussion and the nature of the Conflict of Interest, the member may be:

- ✓ Allowed to remain in the meeting and contribute to the discussion;
- ✓ Allowed to remain in the meeting and contribute to the discussion but leave the meeting at the point of decision; or
- ✓ Asked to leave the meeting for the duration of the item under consideration.

Where items are deemed to be privileged or particularly sensitive in nature, these should be identified and agreed by the Chair. Such items should not be disclosed until such time as it has been agreed that this information can be released.

## 6. Terms of Delegated Powers/Governance

The SFG will ensure the delivery of its defined aims and objectives and will support the work programme of the Integrated Commissioning Committees. Nominated Members will also report directly to the relevant committee of each organisation.

Regular written updates will be provided to the Integrated Commissioning Committees.

## 7. Frequency of Meetings

Meetings will be scheduled on a monthly basis.

The Chair of the SFG may call extraordinary meetings at their discretion.

## 8. Reporting

The SFG will be accountable to the Integrated Commissioning Committees (Children's Commissioning Committee and Adult's Commissioning Committee) for services that are in scope of those committees and for services in scope of the Integrated Fund.

The SFG will be accountable to the CCG's Executive Team for those CCG services that are "In View"

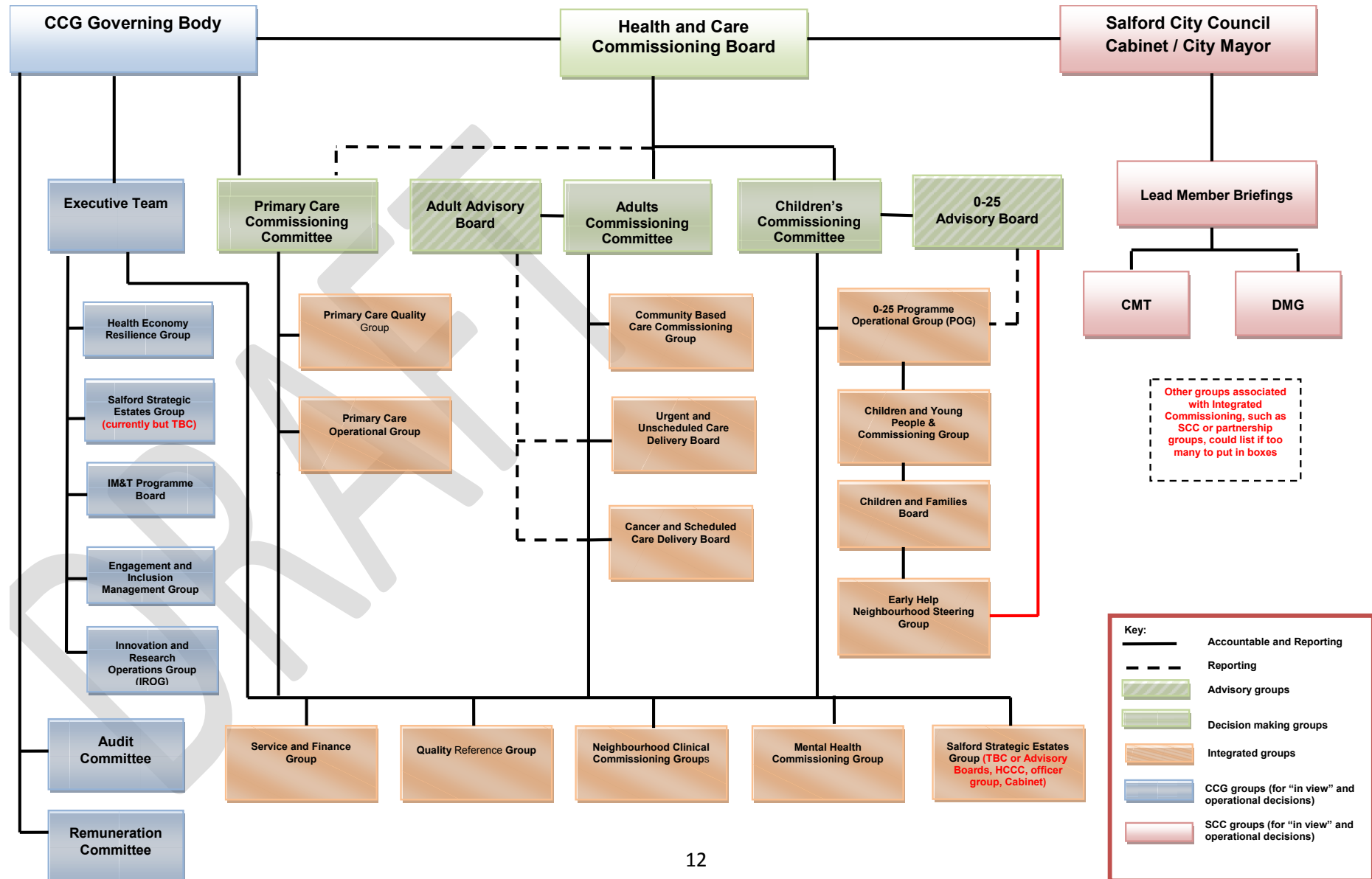
## 9. Review of Terms of Reference

These Terms of Reference will be formally reviewed by partner organisations and may be amended by mutual agreement between all parties at any time to reflect changes in circumstances which may arise.

**Terms of Reference agreed (Date):**

**Review Date: April 2020**

Appendix 1: Integrated Commissioning Governance: This is the current draft and is subject to change



## Appendix 2: Integrated Commissioning Decision Making

	Responsibility	Scope of Commissioning Decisions Note: All Retained Decisions are reserved to the relevant Officer
Level 1	<p><b>CCG: Governing Body</b></p> <p><b>Council: City Mayor</b></p>	<ul style="list-style-type: none"> <li>• Determine the scope and size of the IHCF for each Financial Year</li> <li>• Determine each Approved Budget, (Children's, Adults', and Primary Care)</li> <li>• Determine the Pooled Budget for each Financial Year</li> <li>• Approve any planned or in year variations in the IHCF or Pooled Budget that would require the overall size of the IHCF to be changed</li> <li>• Approve the Partnership Agreement including the Financial Framework and any Variation</li> <li>• Approve all investment and disinvestment plans within the Integrated Health and Care Fund that exceed £1m for individual service lines (with the exception of decisions within the scope of the PCCC)</li> <li>• Approve applications for and investment of external funding awards and associated service models for funding over £1m</li> <li>• Approve any decisions linked to the IHCF, that are novel or contentious, or would materially impact on the interests of either Partner</li> </ul>
Level 2	<b>Health and Care Commissioning Board</b>	<ul style="list-style-type: none"> <li>• Set overall health and social care commissioning strategy, including relating to financial, performance, and quality assurance and improvement matters</li> <li>• Approve any in year variations between any of the three Approved Funds within the Integrated Fund (Children's, Adults', and Primary Care) whether within the Pooled Budget or wider ICHF within the overall financial ceiling of</li> </ul>

		<p>the IHCF for the relevant Financial Year</p> <ul style="list-style-type: none"> <li>• Make decisions that cannot be agreed at any Committee excluding any Reserved Matters excluding any Retained Decisions and excluding any decisions within the scope of the PCCC.</li> <li>• Provide oversight to Committees to ensure that the needs of people transferring from children's to adult's services are met.</li> </ul>
<b>Level 3</b>	<p><b>Children's Commissioning Committee (CCC)</b></p> <p><b>Adults' Commissioning Committee (ACC)</b></p> <p><b>Primary Care Commissioning Committee (PCCC)</b></p>	<ul style="list-style-type: none"> <li>• Approve integrated health and care service models, service specification and associated funding envelope for Services within the scope of that Committee</li> <li>• Set improvement targets and trajectories, for Services within the scope of that Committee</li> <li>• Approve business cases for investment or disinvestment up to £1m for individual Services within the scope of that Committee.</li> </ul> <p>For the PCCC there is no upper/ceiling value to decision making authority</p> <ul style="list-style-type: none"> <li>• Approve applications for and investment of external funding awards and associated service models for funding of up to £1m in respect of Services within the scope of that Committee</li> <li>• Approve in year non recurrent investment or variation in the Approved Budget for the Services within the scope of that Committee, providing such investment and variations are within the limits of the relevant Approved Budget</li> <li>• Approve changes to payment mechanisms and contractual arrangements (subject to any Reserved Matter) relating to Services within the scope of that Committee</li> <li>• Make decisions that cannot be agreed by consensus of</li> </ul>

		Officers at Level 4, excluding any Retained Decisions
<b>Level 4</b>	<b>CCG: Chief Accountable Officer/Chief Finance Officer</b>  <b>Council: Executive Director People/ Director Public Health / Chief Finance Officer</b>	<ul style="list-style-type: none"> <li>• Make recommendations to the relevant Committee, taking account of advice from the relevant Advisory Board (if any), regarding changes to service models and funding</li> <li>• Approve service level variations and changes within the context of the agreed service model and overall financial ceiling of the relevant Approved Budget, up to the financial delegations to individuals set out in Partner organisations' schemes of delegation</li> <li>• Approve applications for and investment of external funding awards and associated service models relevant to any Services up to the financial delegations to such individuals set out in Partner organisations' schemes of delegation</li> <li>• Without prejudice to the ability of the relevant Officer to make a decision falling within this Level/a Retained Decision, where the corresponding Officer(s) at the other Partner does not agree with the approach to be adopted they may escalate the matter upwards to the relevant Committee for consideration</li> </ul>
<b>Level 5</b>	<b>CCG: Director</b>  <b>Council: Assistant Director</b>	<ul style="list-style-type: none"> <li>• Approve service level investment variations within the context of the agreed service model and overall financial ceiling of the relevant Approved Budget, up to the financial delegations to individuals set out in Parent organisations' schemes of delegation</li> <li>• Without prejudice to the ability of the relevant Officer to make a decision falling within this Level/a Retained Decision, where the corresponding Officer(s) at the other Partner does not agree with the approach to be adopted they may escalate the matter upwards to the relevant Officers of the Partners described at Level 4 for</li> </ul>

		<p>consideration.</p> <ul style="list-style-type: none"> <li>• Make decisions on individual care packages where this is a Commissioning Decision and not a decision to be taken by Operational Staff.</li> </ul>
<b>Level 6</b>	<b>Advisory Board</b>	<ul style="list-style-type: none"> <li>• Provide advice to Officers, Committees, the Health and Care Commissioning Board and the Partners (together and separately) as applicable.</li> </ul>