

NHS Cheshire and Merseyside Integrated Care Board

Finance, Investment and Contracting Committee

Terms of Reference



Document revision history

Date Approved by Board	Version	Revision	Comment	Author / Editor
October 2022	1.0	Initial		Mark Bakewell
Feb 2023	1.1			Matthew Cunningham
Sept 2025	1.2		Amendments to responsibilities around workforce, updates around	Matthew Cunningham
Feb 2026	1.3		Establish FICC principles and wider ICB alignment	Erica Saunders (on behalf of the Chair) & Ben Vinter

Review due: [December 2026](#)

V1.3 approved by the ICB Board on 26 March 2026

Finance, Investment and Contracting Committee

TERMS OF REFERENCE

Constitution	Cheshire and Merseyside Integrated Care Board hereby resolves to establish a Committee of the Board to be known as the Finance, Investment and Contracting Committee (the Committee).
Membership	<p>Non-Executive Directors x 3 [one of whom shall be the Chair and must have a professional finance background]</p> <p>Executive Director of Finance and Contracting</p> <p>Executive Director of Strategy and Transformation</p> <p>Executive Director of Health and Integrated Care Commissioning</p> <p>Executive Clinical Director</p> <p>Executive Director of Corporate Services and Governance</p>
Attendance	<p>The following would be expected to attend each meeting:</p> <p>Deputy Director of Finance</p> <p>Chief Digital and Information Officer</p> <p>Specialised commissioning representative</p> <p>The following would attend as required by the agenda:</p> <p>All other Executive Directors</p> <p>Other persons by invitation</p> <p>Secretarial support shall be provided to the Committee to take formal minutes of the meeting, maintain an action log and give appropriate support to the Chair and Committee members.</p>
Quorum	Chair or nominated deputy, one other NED, two Executive Directors one of whom must be the Executive Director of Finance and Contracting or their designated Deputy.
Frequency/ Duration	Meetings of the Committee shall normally take place on a monthly basis and the Committee will meet not less than 10 times per year.
Authority	<p>The Committee will operate under broad powers to scrutinise the development and delivery of annual budgets, operational and joint financial plans, to oversee financial management, investment / disinvestment and contracting arrangements, in order to provide assurance to the Board that delivery in these areas supports the ICB's strategic aims and commissioning intentions. In doing so the Committee may investigate and approve any activity as outlined within its terms of reference</p> <p>The Committee is authorised to:</p> <ul style="list-style-type: none"> • approve decisions within the financial limits as set out in the ICB's Scheme of Reservation and Delegation (SoRD), operational SoRD (OSoRD) and Standing Financial Instructions (SFIs). Decisions exceeding those limits will be recommended to the Board.

	<ul style="list-style-type: none"> • agree C&M joint work on estates, procurement, supply chain and commercial strategies to maximise value for money across the system and support wider goals of development and sustainability • agree actions on estates, procurement, supply chain and commercial strategies to maximise value for money across the system and support wider goals of development and sustainability • seek any information within its remit from any ICB employee or member; all are directed to comply with such requests. • obtain independent professional advice as required and commission reviews/investigations or task-and-finish sub-groups. • 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 • commission, review and approve policies where they are explicitly related to areas within the remit of the Committee as outlined within the TOR, or where specifically delegated to the Committee by the ICB Board. <p>For the avoidance of doubt, the Committee will comply with the ICB Standing Orders, Standing Financial Instructions and the SoRD.</p>
<p>Duties</p>	<p><u>Under its strategic oversight remit, the duties of the Committee are to:</u></p> <p><u>Financial Governance: Decision Making, Assurance and Oversight</u></p> <ul style="list-style-type: none"> • oversee a system-based approach to preparing the annual operational plan, ensuring alignment with national priorities and recommending this for approval by the Board; • oversee the development of robust joint financial plans with the ICB’s partner NHS organisations and recommend these for approval by the Board; ensuring that plans clearly demonstrate the use of resources to improve outcomes and tackle health inequalities. This will include a plan to meet statutory financial duties (the system financial strategy) and a joint capital resource use plan; • assure oversight of the delivery of multi-year efficiency and productivity plans, aligned to the NHS Payment Scheme (NHSPS) assumptions (e.g., general efficiency factor), and the medium-term planning framework; • seek assurance that the ICB’s annual budgets are prepared within limits of available funds and recommend these for approval to the Board, including review of draft ICB annual operating plan prior to submission to Board for approval; • ensure agreed ICB strategies and operational plans are underpinned by an approved sustainable financial plan, monitoring and scrutinising delivery of and performance against the approved plan; • scrutinise investments/disinvestments arising from approved strategic and operational plans, assuring a robust prioritisation framework is applied to recovery plans and commissioning intentions; • monitor and scrutinise the ICB’s in-year budgetary performance, monthly forecast against plan and scrutiny of any recovery plans to address and mitigate negative variance, ensuring that required efficiencies are identified and delivered, including opportunities at system level; • ensure that robust action plans are developed in response to any material breaches or variation against plan; • seek assurance that the ICB’s expenditure in each financial year does not exceed the aggregate of any sums received within that financial year and that the local capital and revenue resource use for each financial year does not exceed the limits

specified by NHS England;

- monitor and scrutinise overarching and longer-term recovery plans including time-scales, forecast savings or return on investment;
- approve recovery/QIPP plans above the SoRD thresholds of other Committees or Officers and receive monthly delivery assurance;
- consider and recommend the ICB's financial risk appetite and tolerances at least annually and regularly review contingency plans for managing risks to breakeven and resource limits (including ICS collective duties) following scrutiny of monthly updates on risk positions and mitigations consistent with NHS England ICB/system finance business rules;
- approve arrangements for risk sharing and /or risk pooling with other organisations (for example arrangements for pooled funds with other ICBs or pooled budget arrangements under section 75 of the NHS Act 2006, or Section 65Z6 of the Health and Care Act 2022);
- receive and approve key ICB financial policies and financial governance arrangements;
- approve new investment business cases in line with the Committee's delegated authority as outlined within the OSoRD (H1 – up to £10million, H2 – Up to £5million);
- escalate to/make recommendation to the Board on new investment business cases in line with delegated authority amounts as outlined within the OSoRD (H1 – over to £10million, H2 – over to £5million);
- receive regular assurance reports on and scrutinise new investment business case decisions made by other ICB Committees and Officers that have been made within their delegated authority as outlined within the OSoRD;
- approve any losses and special payments up to £500k as per delegated authority within the OSoRD;
- receive regular assurance reports on and scrutinise any approvals on losses and special payments made by ICB Officers under their delegated authority as outlined within the OsoRD;
- make recommendations to and seek approval from the Board for any losses and special payments over £500k;
- approve the requisitioning of goods and services (Non-healthcare) in line with the delegated authority limits as set out within the OSoRD (F1 and F2 – up to £500k, F3 – up to £2million).

Procurement and Contract Decisions and Monitoring

- oversee activity and cost against plan (both under and over agreed thresholds), and steps to address the same, including:
 - oversight of any proposals that will impact upon the volume or quality of services provided (where there is an impact on quality this will be referred to the Quality and Performance Committee);
 - actions that will have a material impact upon a Provider's ability to achieve its own targets (including financial balance);
 - assurance of how contracts are being used to monitor and improve VFM/productivity, address inequalities and contribute to social/economic development.
 - assurance from any System Integrated Commissioning and Contracting meetings and any plans being developed to address under-performance.
 - assuring the adherence of the ICB's procurement and contracting policy and framework.
- receive and approve the ICB Procurement Policy/plan(s);
- make procurement route decisions (from £5million), in line with the options contained within the Healthcare Provider Selection Regime (2023) Regulations (Annual Contract Value), with any novel or contentious procurement route decisions to be

escalated to the Board;

- make decisions to put non-Healthcare goods and services (from £5million) out to competitive procurement (total contract value) with any novel or contentious procurement route decisions to be escalated to the Board;
- receive regular assurance reports on and scrutinise procurement decisions made by other ICB Committees and ICB individuals that have been made within the delegated authority as outlined within the OSoRD;
- approve requests for the waiver of any procurement rules for goods and services on an exception basis.

Estates and Capital

- monitor plans for prioritisation of future capital resource use and development of capital funding bids;
- monitor and scrutinise the progress and delivery of a system wide estates and infrastructure strategy (including Primary Care);
- gain assurance that the estates and infrastructure strategy is built into ICS financial framework;
- ensure there is effective oversight of future prioritisation and capital funding bids, seeking assurance from and scrutinising any decisions made by other ICB committees and Officers in line with their delegated authority as outlined within the OSoRD;
- review the annual Joint Capital Resource Use Plan prior to recommending approval by the ICB Board.

Digital

- seek assurance that digital investments decisions are aligned to the ICB's financial strategy, comply with the SORD/OSoRD, and deliver value for money;
- scrutinise regular reports on the financial performance and outcomes of digital programmes, seek assurance on risk management and remedial actions, and escalate any concerns or investments exceeding delegated limits to the Board.

Primary Care (PC)

- seek assurance that PC investments decisions and spend are aligned to the ICB's financial strategy, comply with the SORD/OSoRD, and deliver value for money recognising the delegated responsibilities of the SPCC Committee and the discrete contracting approaches within primary care;
- scrutinise regular reports on the financial decisions and outcomes of primary care programmes, seeking assurance through reporting to and triangulation at the Board that risk management and remedial actions, and escalations on any concerns or investments are taking place

Specialised commissioning

- seek assurance that specialised commissioning decisions are financially sustainable, aligned with ICB strategy and commissioning intentions, and within delegated limits;
- scrutinise value for money, financial risks, and delivery outcomes through receipt of regular reporting and oversight
- escalate concerns or decisions exceeding financial limits to the Board.

Risk Management

- through oversight of the information provided to the Committee, identify related areas of strategic and financial risk and report these to the Board via the Board Assurance Framework or other appropriate mechanisms;

	<ul style="list-style-type: none"> • request substantive reports to be submitted to the Committee to provide assurance on risk mitigation and action plans; • assess risk appetite and tolerances on at least an annual basis to contribute to the Board risk appetite statement.
<p>Reporting</p>	<p>The Committee will ensure that the minutes of its meetings are formally recorded and submitted to the Board along with a Chair’s report identifying key issues, risks and assurances. Any items of specific concern or which require Board approval will be the subject of a separate report.</p> <p>The Finance, Investment and Contracting Committee will prepare and submit an annual report on its activities to the Board setting out its performance against these Terms of Reference.</p> <p>The committee will receive reports from the following groups/committees:</p> <ol style="list-style-type: none"> 1) System Primary Care Committee 2) Financial Recovery Programme Group 3) Procurement Decisions Review Group 4) Specialised Commissioning Joint Committee
<p>Conduct</p>	<p>The Committee will develop a work plan at the start of each financial year with specific objectives which will be reviewed regularly by the Chair and formally on an annual basis. The Committee will also review its performance against the effective committee checklist after six months and thereafter on an annual basis.</p> <p>Agendas, papers and minutes to be distributed not less than <u>4 working days</u> prior to meetings. Papers may be tabled in exceptional circumstances at the discretion of the Chair. Any other business to be notified to the Chair in advance.</p> <p>Declarations of interest will be dealt with in accordance with the ICB’s Conflicts of Interest Policy.</p>
<p>Other Matters</p>	<p>Committee Terms of Reference to be reviewed following 6 months of operation and thereafter on an annual basis.</p>

Review date: December 2026