

## BOARD OF DIRECTORS MEETING

<b>Agenda Item</b>	<b>P1/191/17</b>	<b>Date: 6th September 2017</b>
<b>Subject /title</b>	<b>Board Review of Governance Arrangements</b>	
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<b>Responsible Director</b>	<b>Andrew Cannell, Chief Executive</b>	
<b>Executive summary and key issues for discussion</b>		
<p>The 'Well Led' review conducted by Deloitte in March 2016 whilst identifying no significant issues, made recommendations to review the Trusts governance arrangements to ensure that they remain fit for purpose for a changing operating environment.</p> <p>The Board has since undertaken an externally facilitated in-depth review to test existing structures and to plan for potential future scenarios through a range of diagnostic, mapping and workshop activities. The findings of the review have been largely consistent with the Deloitte report but the more detailed review has highlighted a number of areas where improvements to existing systems and ways of working could enhance the flow of information in the organisation and to the Board. This would improve governance practice and oversight and ensure that future reporting adapts and is sustainable in a dynamic governance environment.</p> <p>The full recommendations are contained in a separate report, appendix H. A number of areas of good practice were identified but for the purposes of this paper the headline areas where improvement can be made are summarised as follows: -</p> <ul style="list-style-type: none"> <li>• Governance processes and information flows have evolved rather than been designed and as a result are not comprehensive or fully systemic and there are some gaps in assurance reporting;</li> <li>• Effectiveness v efficiency - Governance is not seen as empowering and often structures do not appear to add significant value;</li> <li>• There is some lack of clarity around management and governance roles and purpose of agenda items leading to confusion in reporting;</li> <li>• Reporting lacks consistency of style and content, often at board level data heavy and analysis/intelligence light with little focus on outcome reporting. As a result there is an apparent imbalance in board time spent on stewardship v strategy;</li> <li>• Risk reporting requires further development and therefore does not drive agendas. Risk appetite is unclear carrying a potential for lost opportunity;</li> <li>• Triangulation of performance, assurance and risk information is not always evident (or possible), system maturity in these three critical areas needs to be tested;</li> <li>• Corporate reporting needs to be refocused to reflect the changed relationships to the Trust.</li> </ul> <p>The Implementation Plan identifies the transitional arrangements identifies a number of underpinning documents which are work in progress such as:</p> <ul style="list-style-type: none"> <li>• Governance Manual - that sets out the corporate standard for all meetings within the governance structure to ensure consistency of approach to reporting, assurance evaluation and assessment escalation of issues/risks, referral to other committees or</li> </ul>		

Board for further discussion or decision, minutes and evaluation of committee performance.

- Decision Rights Framework - that summarises the Scheme of Delegation to provide a clear and accessible Accountability Framework, especially in relation to complex areas such as approval of business cases v service improvement and the role of the PMO in major project delivery.
- Monthly Information Pack - should be produced containing performance data and other relevant information and headed up by a Chief Executive Report outlining the 'state of the nation' position, providing important updates highlighting issues and risks contained in the remainder of the pack and providing up to date horizon scanning commentary on the local regional and nation policy position and sector activity.

The proposed changes for the Board to consider are:

1. A revised governance structure, with the introduction of Sub-Committee meetings, see appendix A
2. The recommended changes to the frequency of Board and Committee meetings, primary on a quarterly basis,

In addition there will be a further five informal meetings in the intervening periods to support decision making and debate and these will cover areas such as fact-finding/service delivery awareness, strategy discussion and business intelligence-development of thinking and emerging ideas, board development and training

This will be supported by a monthly information pack containing performance data and other relevant information and headed up by a Chief Executive Report outlining the 'state of the nation' position, providing important updates highlighting issues and risks contained in the remainder of the pack and providing up to date horizon scanning commentary on the local regional and nation policy position and sector activity.

3. A revised schedule of meetings, see appendix B. Where possible existing dates for Board & Committees have been utilised.
4. The revised Terms of Reference, including membership and Cycles of Business for the Trust Board and its Committees, see appendix C and D.
5. The proposed Terms of Reference and Cycles of Business for the Board Sub-Committees, see appendix E.
6. The Executive Director as Chair of Sub-Committee, noting that the Chair is responsible for the work programme and is to provide assurance to the relevant Board Committee, see appendix A
7. Identify a Nominated Officer – proposed is the Deputy Chief Executive /Director of Finance.

The report also identifies that over time consideration should be given to the potential for conflicts of interest with significant numbers of individuals having dual directorships on the Trust Board and Subsidiary Board(s). A Nominated officer should be put in place with a direct reporting line to the Board. This is usually, but not exclusively, someone with a financial background who has access and the ability to triangulate/verify the corporate reporting content as consistent with the financial

statements and risks on the basis that almost all risk can be quantified on some level as a financial impact. It should be noted that the Nominated Officer does not sit on the Subsidiary Board(s).

8. The Implementation Plan and delegate authority to the Audit Committee to monitor progress, see appendix F
9. The implementation of the new governance structure with effect from 1st October 2017, see appendix B.
10. Following the governance review changes are required to the current system of document control and document approval, see appendix G.

### **Strategic context and background papers (if relevant)**

Well Led Review in March 2016

### **Recommended Resolution**

The Board is requested to consider and approve the appropriate flow and cascade of information to the Board, Committee and Sub Committees to provide the necessary assurance and enable the Board to focus on Strategy, high level performance of the organisation and key pertinent issues.

To achieve this the Board are requested to:

- Approve the proposed governance structure
- Approve the recommended changes to the frequency of meetings
- Approve the proposed schedule of meetings
- Approve the revised Terms of Reference, including membership and Cycles of Business for the Trust Board and its Committees
- Approve the Terms of Reference and Cycles of Business for the Board Sub-Committees
- Approve the Chair of Sub-Committee, noting that the Chair is responsible for the work programme and is to provide assurance to the relevant Board Committee
- Approve the implementation of the new governance structure with effect from 1st October 2017
- Approve the proposed changes to the current system of document control and document approval as a consequence of the governance review.
- Identify a Nominated Officer – proposed is the Deputy Chief Executive /Director of Finance
- Note the Implementation Plan and delegate authority to the Audit Committee to monitor progress.

### **Risk and assurance**

- Sufficient resource/prioritisation to implement the change programme is not committed;
- Supporting systems are not developed in line/pace with the changes to reporting outlined in the programme;
- Governance at department level is not developed/aligned to the new structures and the golden thread 'ward to board' cannot be followed during transition.
- The pace of cultural change is not managed in the organisation.

**Link to CQC Regulations**

**Resource Implications**

Revised Corporate Admin function to support the new Governance Structure is currently being considered.

**Key communication points (internal and external)**

- Senior Managers
- Consultants
- Regulator

**Freedom of Information Status**

FOI exemptions must be applied to specific information within documents, rather than documents as a whole. Only if the redaction renders the rest of the document non-sensical should the document itself be redacted.

**Application Exemptions:**

- **Prejudice to effective conduct of public affairs**
- **Personal Information**
- **Info provided in confidence**
- **Commercial interests**
- **Info intended for future publication**

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IMPORTANT:

If you have chosen B above, highlight the information that is to be redacted within the document, for subsequent removal.

Confirm to the Trust Secretary, which applicable exemption(s) apply to the whole document or highlighted sections.

**Equality & Diversity impact assessment**

Are there concerns that the policy/service could have an adverse impact because of:	Yes	No
Age		
Disability		
Sex (gender)		
Race		
Sexual Orientation		
Gender reassignment		
Religion / Belief		
Pregnancy and maternity		
Civil Partnership & Marriage		

If YES to one or more of the above please add further detail and identify if full impact assessment is required.

**Next steps**

## Appendices

Appendix A – Proposed governance structure  
 Appendix B – Proposed schedule of meetings  
 Appendix C – Revised Terms of Reference, including membership and Cycles of Business for the Trust Board and its Committees  
 Appendix D – Committee membership  
 Appendix E – Terms of Reference and Cycles of Business for the Board Sub-Committees  
 Appendix F – Implementation Plan  
 Appendix G – Document Control Policy  
 Appendix H – Report containing full recommendations

## Strategic Objectives supported by this report

Improving Quality		Maintaining financial sustainability	
Transforming how cancer care is provided across the Network		Continuous improvement and innovation	
Research		Generating Intelligence	

## Link to the NHS Constitution

Patients		Staff	
Access to health care		<i>Working environment</i> Flexible opportunities, healthy and safe working conditions, staff support	
Quality of care and environment		<i>Being heard:</i> <ul style="list-style-type: none"> <li>• Involved and represented</li> <li>• Able to raise grievances</li> <li>• Able to make suggestions</li> <li>• Able to raise concerns and complaints</li> </ul>	
Nationally approved treatments, drugs and programmes			
Respect, consent and confidentiality			
Informed choice		Fair pay and contracts, clear roles and responsibilities	
Involvement in your healthcare and in the NHS		Personal and professional development	
Complaint and redress		Treated fairly and equally	