

Trust Board Meeting: Thursday 6 September 2012

TB2012.80

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| Title | Final submission for the Board Governance Memorandum (BGM) and the Quality Governance Framework (QGF) |
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| Status | A paper for approval |
| History | The draft BGM was submitted to Board on 5 July and the QGF was discussed at the Board Seminar on 19 July. |

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| Board Lead(s) | Professor Edward Baker, Medical Director Eileen Walsh, Director of Assurance | | | |
| Key purpose | Strategy | Assurance | Policy | Performance |

Summary

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| 1 | The FT application process requires the Trust to undergo three external assessments: Historical Due Diligence (HDD1), Quality Governance Framework (QGF) and the Board Governance Memorandum (BGM). |
| 2 | The QGF was presented to Board members at the Board Seminar on 19 July and has not been changed since that time. It was submitted to RSM Tenon on 23 July 2012. |
| 3 | This paper presents the final QGF and BGM for approval. |

Introduction

1. The FT application process requires the Trust to undergo three external assessments. These are:
 - Historical Due Diligence (HDD1) Stage 1 – Draft Preliminary Review and Financial Reporting Procedures by Deloitte LLP.
 - Quality Governance Framework (QGF) – External Review – Stage 1 by RSM Tenon
 - An Independent Review of the Board Governance Memorandum (BGM). This is being conducted by Ernst and Young LLP.
2. This paper presents both the final QGF and the BGM for approval.

Quality Governance Framework

3. The QGF was presented to Board members at the Board Seminar on 19 July and has not been changed since that time. It was submitted to RSM Tenon on 23 July 2012. The final document is appended to this paper for Board approval.

Board Governance Memorandum

4. The development of the BGM has been an iterative process. It was drafted and presented to Trust Board in draft form on 05 July.
5. The BGM was then considered at the Board seminar on 19 July. Following feedback, further refinement of the evidence was undertaken and the ratings were reviewed. The Chair and Chief Executive, under delegated authority then reviewed it and signed it off for submission to the external assessors, Ernst and Young LLP. It was submitted on 01 August 2012 and is appended to this paper for Board approval.

BGM ratings

6. The draft version of the BGM submitted to the Trust Board on 05 July did not include ratings for each section.
7. The version presented on 19 July to the Board Seminar included ratings. Of these four of the internal ratings have been subsequently changed from Green to Amber/Green prior to submission on 01 August 2012. These were for sections:
 - 2.4 Board member appraisal and personal development
 - 3.2 Board insight and foresight: Efficiency and Productivity
 - 4.1 Board engagement and involvement: External Stakeholders
 - 4.2 Board engagement and involvement: Internal Stakeholders

These changes in rating reflect the number of action plans in place for those sections and are based on careful consideration of the rating framework. The six red flags remain unchanged. A summary of all Trust ratings is provided on pages 8-9 of the BGM.

Action plans to address gaps

8. The BGM assessment requires robust actions plans to be in place where good practice is currently not being achieved and where a red flag has been identified.
9. Action plans have been developed for each of the identified gaps, with executive leads and timescales for completion associated with each action.
10. Six of the actions in the submitted draft BGM had a completion date of 31 August, of which five have been addressed. Two of the five actions that have been removed related to a red flag. These have therefore been removed. The remaining action could not be implemented in the agreed timescale as outlined in paragraph 13. The actions that have been met are:
 - 1.3 (GP1 and GP2 Note: this action related to a red flag) An analysis of attendance at Board and Committee meetings indicated some minor gaps in attendance by a small number of Board members. These gaps were due to other unavoidable commitments. Future schedules will avoid this where possible. In addition, named deputies for executive directors have been identified and will be incorporated into the new committee terms of reference. In addition, the Trust Board agreed that non-executive directors could nominate another NED to attend Board sub-committees on their behalf when they were unable to attend. Executive Lead: *Director of Assurance*
 - 3.1 (GP2 Note: this action related to a red flag) An integrated board report has been developed and has been used by the Board “in shadow” to supplement the existing “functional” reports since July 2012. From September 2012, this will be the main source of board reporting as outlined in the integrated performance framework. Executive Lead: *Director of Clinical Services*.
 - 3.1 (GP3) A standard reporting template has been developed for all subcommittee chairmen to report a summary of issues from subcommittees. Executive Lead: *Director of Assurance*
 - 3.4 (GP1 and GP2) Following confirmation of the new committee schedule for Board and subcommittee meetings, a revised annual cycle of business has been completed. Executive Lead: *Director of Assurance*.
 - 3.4 (GP4) A procedure for bringing significant issues to the Board’s attention outside of formal monthly meetings has been developed. Executive Lead: *Director of Clinical Services*.
11. Due to unforeseen circumstances relating to compassionate leave, the deadline for a small number of actions needs to be extended as it is not possible to initiate

implementation in the original timescales proposed in the draft BGM. These are (and they include the revised dates):

- 1.2 (GP1, GP2 and GP4) A further critical talent management review will be conducted. This will include review of the knowledge, experiences and skills of Board members to effectively govern the organisation post FT. Completion date: 30th September 2012. Executive Lead: *Director of Workforce*.
- 2.4 (GP2) The appraisal process for the Chair of the Board is being developed. Completion date: 31st December. Executive Lead: *Director of Workforce*.
- 4.2 (GP5) A programme of work is being conducted to ensure that Trust values are incorporated into the recruitment process, the appraisal process and our performance management procedures. Completion date: 31st December 2012. Executive Lead: *Director of Workforce*.

Recommendations

12. The Board is asked:

- a. To **approve** the final Quality Governance Framework
- b. To **note** the changes in the Board Governance Memorandum (BGM)
- c. To **approve** the ratings in the BGM.
- d. To **approve** the revised implementation timescales for the actions described in paragraph 12 and 13.
- e. To **approve** the final BGM subject to the changes to timescale for actions.

Professor Edward Baker, Medical Director

Eileen Walsh, Director of Assurance

6 September, 2012