

Trust Board meeting: Thursday 6 September 2012
 TB2012.93

Title	Governance of Board Committees
-------	--------------------------------

Status	A paper for discussion and decision
History	Previous related papers were presented to Trust Board in May (TBC2012.45), June (TBC2012.57) and July (TBC2012.83)

Board Lead(s)	Eileen Walsh, Director of Assurance			
Key purpose	Strategy	Assurance	Policy	Performance

Summary

1	The purpose of this paper is to update the Board on a number of issues relating to Board Committee issues that require noting, discussion or decision.
2	The report outlines issues relating to: -Voting amendments -Arrangements for deputising for Executive Directors -Arrangements for substitution of Non-Executives for sub-committees -Codes of Conduct and Openness -Management of Trust Board and Sub-Committees (including Annual Cycle of Business)
3	A number of recommendations are detailed in the report for the Board's consideration.

1. Introduction

- 1.1 Effective Board meetings and sub-committees of the Trust Board is a key part of a robust governance structure. As Oxford University Hospitals NHS Trust (OUHT) has prepared for Foundation Trust status, the Board's focus has been to ensure that the Trust's organisational governance is compliant with best practice. As part of the Trust's application for Foundation Trust, the organisation completed an assessment of its effectiveness and capability using the Board Governance Assurance Framework for Aspirant Foundation Trusts (BGAF).
- 1.2 The purpose of this paper is to update the Board on a number of issues relating to Board Committee issues that require noting, discussion or decision.

2. Membership of the Board

- 2.1 In May 2012, the Trust Board confirmed changes to the voting membership of the Board and recorded this decision in minute TB75/12. At this time it was decided to amend the voting rights by transferring a voting position from the Director of Planning and Information to the Director of Clinical Services. It was agreed that this change would be effective from 1 June 2012 and this has been implemented.
- 2.2 At the same time, the Board also resolved to create a new voting position to be conferred on the Director of Development and the Estate with effect from 1 June 2012. This was based on the understanding that the Board would still have a majority of voting non-executive members (total=7). However, since then the Director of Assurance has reviewed the original establishment order and the associated amendments enshrined in Statutory Instruments (based on applications made by the Trust) which has indicated that the Trust was approved to increase the number of non-executive positions in 2011 but it did not make a provision to increase the number of voting executives. Based on this analysis, the Trust Board will need to defer its decision to implement a new voting executive position from 1 June 2012 to the point of authorisation as a Foundation Trust. Thus the current composition of the Trust Board remains as follows until the Trust achieves a successful authorisation as an FT: Non Executives (7 voting and 1 non-voting) and Executives (5 voting and 4 non-voting).

3. Arrangements for Deputising for Executive Directors

- 3.1 Within Trust Standing Orders, it is documented that an officer in attendance for an Executive Director (Officer Member) but without formal acting up status may not count towards the quorum and may not exercise the voting rights of the Officer Member. To ensure an effective process, the Board approved deputies for Executive Directors in February 2012 (TBC24/12) but since that time changes in personnel have occurred. A revised list is now presented to the Board at Appendix 1 and approval sought for 'acting up status' for those listed, during a period of incapacity or temporary absence by their Executive Director.

4. Arrangements for Substitution of Non-Executive Directors

- 4.1 At its July meeting, the Trust Board proposed that Non-Executive Directors could nominate another named Non-Executive Director colleague to attend Board sub-

committees on their behalf during a period of incapacity or temporary absence. It was agreed to seek advice on the acceptability of this action. There is no provision or exclusion of this action in the Standing Orders. If the Trust Board decides to proceed with this action then it is advised that the Standing Orders are formally revised to include this provision and that board Sub-Committee Terms of Reference are adjusted accordingly. No evidence has been identified to identify this as an unacceptable action and the Board Sub Committee Terms of References have been updated accordingly.

5. **Board Codes of Accountability, Practice on Openness (FOI) and Conduct for NHS Boards**

5.1 **Codes of Conduct Declaration:** Each Board member on appointment is required to comply with the Codes of Accountability, Code of Practice on Openness (FOI) and Code of Conduct for NHS Boards¹.

5.1.1 In the past all Board members were asked to formally sign and submit a declaration indicated that they understood and would comply with these codes.

As Oxford University Hospitals NHS Trust continues to place importance on appropriate accountability and openness in its working practices, all Board members are asked to sign a new declaration as provided at Appendix 2. Completed returns should be submitted to the Deputy Company Secretary within 3 weeks of the September Board meeting.

5.2 **Register of interests:** The Board's acceptance of these principles is further upheld by the maintenance of a Trust register of interests and on appropriate declarations of interest being made by the Board, Directors and staff in formal committees. A copy of the current register is provided at Appendix 3. The Trust Board is invited to review this register and to notify any amendments that may be required.

5.3 **Gift and Hospitality Register:** As set out in the Codes for NHS Boards, the Board's directors have a requirement to set an example to their organisation in the use of public funds and the need for good value in incurring public expenditure. The use of NHS monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered. All expenditure on these items should be capable of justification as reasonable in the light of the general practice in the public sector. A review of this register will be presented to the Trust Board for consideration in November 2012.

6. **Management of the Trust Board and Sub-Committees**

6.1 **Annual Cycle of Business:** The Trust will continue to plan the business of its Board and Board Sub-Committees (and Council of Governors if authorised as an FT) by means of an annual business cycle and an associated forward planner of meeting agendas.

6.1.1 It is proposed that this Annual Business Cycle is agreed at the start of each financial year and will be derived from the five year integrated business plan

¹ Codes of Conduct and Accountability for NHS Boards (Appointments Commission/DoH originally published April 1994, First revision April 2002, Second revision July 2004)

and associated strategies, Monitor's Compliance Framework, identified risks, and internal and external requirements. A draft Annual Cycle of Business is provided for discussion at Appendix 4. This draft has been compiled to reflect the Financial Year 2012/13 (now part delivered) and Financial Year 2013/14.

6.1.2 To support the management of future agendas, a forward plan has been developed which reflects the need to identify regular items (in the Annual Cycle) plus any additional items that may be requested from Trust Board meetings in year or advised by the Trust Management Executive.

6.2 **Schedule of Meetings:** The Trust Board agreed the schedule of meetings of the Board, and its Sub-Committees from September 2012 and revised Terms of References at its July meeting. Since then a number of changes have been identified and will be incorporated into the revised schedule as follows:

6.2.1 An additional meeting of the Audit Committee will be scheduled for June 2013 to sign off the final accounts.

6.2.2 A new date will be arranged for the Remuneration & Audit Committee originally scheduled for December 2012. It is proposed that this will take place on 9 January 2013 and the Seminar session will be adjusted accordingly to allow this to happen.

6.2.3 Trust Board members are requested to hold 6 December 2012 as a provisional date for an additional Trust Board meeting in the event that significant issues require Board approval following the Trust Board to Board meeting with the SHA on 15 November 2012.

6.3 **Committee Governance:** It is essential, if governance arrangements are to be effective, that individual responsibility is clearly set out and understood at all levels of the organisation.

6.3.1 To assist with this process a Board/Sub-Committee handbook is being developed which incorporates a standard operating procedure to ensure an effective process for the timely production of the Trust Board and its Sub-Committee meeting agenda and documents, and also includes the Board accountability structure, annual business cycles as well as other key reference material.

6.3.2 The Handbooks will include:

- Terms of Reference
- Sub-Committee Cycle of Business
- Applicable standards (e.g. Audit Committee Handbook)
- Reporting requirements from other committees into Sub-Committee
- Reporting requirements from Sub-Committee to Trust Board
- Appropriate Templates for reports

6.3.3 A standard reporting template has been developed for all Sub-Committee Chairmen to report to Trust Board. This new approach is evidenced in the September meeting reports and comments on its content and usefulness are invited.

6.3.4 The procedure for bringing significant issues to the Board's attention outside of formal monthly meetings has been reviewed and a new procedure known as "Weekly Flash Reports" has been developed and will be implemented from the beginning of September. This will provide all Board members with a timely notification of any significant issues that occur between Board meetings.

6.4 **Head of Corporate Governance/Company Secretary:** Following the unsuccessful recruitment process for the substantive post of Head of Corporate Governance, a new recruitment process has commenced and is supported by an external executive search agency. It is expected that a suitable candidate can be identified and appointed by 31 October. This deadline may be subject to review based on the capability of the external support to source candidates.

7. Recommendations

7.1 The Board is asked to:

- a. To **note** the delayed implementation of the new voting position
- b. To **approve** the revised list of Deputies for Executive Directors and to **approve** the substitution arrangements for Non-executives Directors
- c. To **request** Board members to complete the declarations relating to the Codes of Accountability, Practice of Openness (FOI), and Conduct for NHS Boards and to support the Nolan principles of governance within the Trust;
- d. To **receive** and **note** the Register of Interests
- e. To **receive** and **note** the Gifts and Hospitality Register
- f. To **discuss** the draft Annual Cycle of Business
- g. To **note** and **agree** the changes required to the schedule of meetings
- h. To **note** the implementation of a new process for the recruitment of the Head of Corporate Governance/Company Secretary

Eileen Walsh, Director of Assurance

September 2012