

Trust Board Meeting: Wednesday 14 May 2014
TB2014.60

Title	Board Governance Assurance Framework (BGAF) – Review of Evidence March 2014
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Status	For approval
History	The Independent Review Report was presented to the Trust Board on 1 November 2012. Further updates have been presented to the Foundation Trust Programme Board on a regular basis through 2012 and 2013.

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

Board Governance Assurance Framework (BGAF) – Review of Evidence March 2014

1. Purpose

1.1. To provide an update on compliance with the requirements of the BGAF and identify areas for further action.

2. Background

2.1. The Trust submitted its evidence and submission document on 31 July 2012. This was reviewed by the independent review team from Ernst and Young LLP and a final report was issued to the Trust on 18 October 2012.

2.2. Since that time actions to address areas of non-compliance have been monitored by the FT programme Board.

2.3. The Head of Corporate Governance was asked to undertake a desktop review of the evidence provided in the original submission, identify further evidence to support compliance, and identify if there had been any changes in the compliance position. This work has been undertaken and a summary of the results is now presented below in Appendix 1.

2.4. An extract of the scoring mechanism is presented in Appendix 2 for information.

3. Review of Compliance

3.1. The review has identified the following changes to compliance levels:

Description of Change	Number
Improvements in RAG Rating	6
Deterioration in Rag Rating	1
No Change in RAG Rating	8
Total	15

3.2. The overall picture of compliance is as follows:

Current RAG Rating	Number
Green	8
Amber/Green	6
Amber/Red	1
Red	0
Total	15

3.3. Further detail on areas which have deteriorated are described below:

2.4 Board member appraisal and personal development

From: Amber/Green

To: Amber/Red

The Trust proposed to implement a multi-source (360 degree) feedback process for Board members by 30 September 2013. Although all Board members are annually appraised, most have yet to undertake a multi-source feedback assessment. The newly appointed Director of Organisational Development and Workforce will review how the process should be refreshed.

Rationale for deterioration – The intention to apply a multi-source feedback process for all Board members has not been fully realised. Pending the provision of a revised plan and schedule the RAG rating has been amended from Amber/Green to Amber/Red.

4. Conclusion

- 4.1. The review has highlighted that there has been good progress in relation to a number of areas of compliance with the BGAF, and there have been improvements in the underlying data set to support compliance.
- 4.2. Further actions have been identified to enhance compliance with the good practice and Executive Director leads have been indicated within Appendix 1.
- 4.3. There is however one area where compliance has deteriorated due to the action to implement 360 degree reviews having not been fully completed.
- 4.4. Actions to address this area of non-compliance with the specified good practice should be undertaken and timescales agreed by the lead Executive Director.

5. Recommendation

- 5.1. The Trust Board is asked to approve the assessment of compliance as described against the Board Governance Assurance Framework.

Eileen Walsh
Director of Assurance

May 2014

Report prepared by:

Eric Sanders
Head of Corporate Governance

Appendix 1 – Outcome of the Review

Indicator	Section	Independent RAG	Current RAG	Type of Change	Comment
1. Board composition and commitment	1.1 Board positions and size	Amber/Green	Amber/Green	Neutral	<p>The Medical Director role is currently filled on an interim basis. Action is being taken to substantively appoint to the role.</p> <p>The Head of Corporate Governance is in post.</p> <p>The terms of office for the Non-Executive Directors have been staggered to minimise the number of future changes at the same time.</p>
	1.2 Balance and calibre of Board members	Green	Green	Neutral	<p>All actions completed.</p> <p>A review has been commissioned of the knowledge, experiences and skills of Board members to govern the organisation effectively post-authorisation.</p> <p>Suggested further action – It is proposed to develop a skills and knowledge audit of Board members which is refreshed annually. Director of Organisational Development and Workforce</p>
	1.3 Board member commitment	Amber/Green	Green	Positive	<p>All actions completed.</p> <p>Attendance at the Board is monitored and reported in the annual Governance Statement. No issues have been identified for 2013/14.</p>

Indicator	Section	Independent RAG	Current RAG	Type of Change	Comment
2. Board evaluation, development and learning	2.1 Effective Board-level evaluation	Amber/Green	Green	Positive	The Trust Board evaluation for 2013/14 includes a multi-source (360 degree) feedback process involving staff, commissioners and the NHS TDA. The proposal is due to be presented to the Trust Board in May 2014. Suggested further action – The last independent evaluation of the Board was reported in October 2012. The Trust Board will need to consider whether a further independent evaluation is required for 2014/15 in line with the NHS Foundation Trust application timeline. Chairman and Chief Executive
	2.2 Whole Board development programme	Amber/Green	Green	Positive	See comments for 2.1.
	2.3 Board induction, succession and contingency planning	Amber/Green	Green	Positive	All actions completed. Suggested further action – Due to the Medical Director leaving the Trust on 31 March 2014, the role of deputy Chief Executive should be reviewed in line with the appointment process to fill the Medical Director position. Chief Executive

Indicator	Section	Independent RAG	Current RAG	Type of Change	Comment
	2.4 Board member appraisal and personal development	Amber/Green	Amber/Red	Negative	Most Board members have yet to undertake a multi-source feedback assessment. A revised plan and schedule will be established, to include two newly appointed Executive Directors. Director of Organisational Development and Workforce
3. Board insight and foresight	3.1 Board performance reporting	Amber/Green	Amber/Green	Neutral	<p>There has been significant unplanned variance in performance relating to the 18 week RTT targets and Cancer targets. Action plans are now in place to address performance.</p> <p>A rolling cash flow forecast is now included in the finance report.</p> <p>Suggested further action - The indicators within the IPR have not been reviewed formally by the Trust Board since February 2012 and a review has been scheduled with updated indicators due to be presented to the Trust Board in September 2014. Director of Clinical Services</p> <p>Suggested further action – It is proposed that forecast performance is included on the graphs presented within the Red Escalation report within the Integrated Performance Report. This will be incorporated into the revised IPR due to be presented to the Trust Board in September 2014. Director of Clinical Services</p>

Indicator	Section	Independent RAG	Current RAG	Type of Change	Comment
	3.2 Efficiency and Productivity	Amber/Green	Green	Positive	<p>All actions completed.</p> <p>Suggested further action – It is proposed that a definition of a “major CIP” scheme is agreed and that the top 5 schemes are reported against on a regular basis. Director of Finance & Procurement</p> <p>Suggested further action – It is proposed that progress on QIPP delivery by the CCG is included quarterly within the Finance Report. Director of Finance & Procurement</p>
	3.3 Environmental and strategic focus	Amber/Green	Amber/Green	Neutral	<p>Divisional Compact letters are reported to the Finance & Performance Committee but are not yet aggregated into a comprehensive update.</p> <p>Performance against the strategic objective scorecard was reported to the Trust Board in November 2013.</p> <p>Suggested further action – It is proposed that performance against objectives is reported on a quarterly basis to the Trust Board and the Finance & Performance Committee. Director of Planning and Information.</p>
	3.4 Quality of Board papers and timeliness of information	Amber/Green	Green	Positive	<p>Whilst the Trust Board has not received quarterly data quality reports as an appendix to the IPR, which was agreed as part of the Independent review, data quality indicators have been allocated to each performance target and these are regularly reviewed by the</p>

Indicator	Section	Independent RAG	Current RAG	Type of Change	Comment
					Data Quality Group. The Audit Committee receive an annual Data Quality audit report, and the Data Quality Group have a rolling programme of reviewing specialty level data. Any exceptions would then be reported to the Trust Board.
4. Board engagement and involvement	4.1 External stakeholders	Amber/Green	Amber/Green	Neutral	All actions completed. Suggested further action – It is proposed that the Trust's Integrated Engagement Strategy is reviewed having been last approved by the Trust Management Executive in June 2012. Director of Planning and Information.
	4.2 Internal stakeholders	Amber/Green	Amber/Green	Neutral	Value based interviewing is still being developed. Director of Organisational Development and Workforce
	4.3 Board profile and visibility	Green	Green	Neutral	No change.
	4.4 Future engagement with FT Governors	Amber/Green	Amber/Green	Neutral	Training and induction programmes are to be developed prior to the election of governors, now anticipated in late 2014. Director of Planning and Information.