

Board of Directors

Date:	26 June 2019	Attachment:	13																
Title of Report:	Company Secretary's report																		
Purpose of the report and the key issues for consideration/decision:	This report brings together a number of items that evidence or strengthen the corporate governance arrangements and systems of internal control within the Trust. In particular, it contains: proposed changes to the Standing Orders/SFIs/ Scheme of Delegation; the findings from the Internal Audit of the refreshed governance arrangements; NHS Improvement Self Certifications for approval; proposed changes to the terms of reference of Board committees; information regarding this year's Annual Members' Meeting and Annual General Meeting; and the Board work programme.																		
Prepared by:	Stella Jackson, Head of Corporate Governance																		
Presented by:	Victoria Pickles, Associate Director of Corporate Affairs																		
Strategic Objective(s) supported by this paper:	<table border="1"> <tr> <td>Financial Sustainability</td> <td>X</td> <td>Empower & Engage Staff</td> <td>X</td> </tr> <tr> <td>Quality of Care</td> <td>X</td> <td></td> <td></td> </tr> </table>			Financial Sustainability	X	Empower & Engage Staff	X	Quality of Care	X										
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Quality of Care	X																		
Is this on the Trust's risk register:	<table border="1"> <tr> <td>No</td> <td>X</td> <td>Yes</td> <td></td> <td>If Yes, Score</td> <td></td> </tr> </table>			No	X	Yes		If Yes, Score											
No	X	Yes		If Yes, Score															
Which CQC Standards apply to this report:	Well-led domain																		
Have all implications related to this report been considered: (please X)	<table border="1"> <tr> <td>Finance Revenue & Capital</td> <td>X</td> <td>Equality & Diversity</td> <td>X</td> </tr> <tr> <td>National Policy/Legislation</td> <td>X</td> <td>Patient Experience</td> <td></td> </tr> <tr> <td>Human Resources</td> <td></td> <td>Terms of Authorisation</td> <td>X</td> </tr> <tr> <td>Governance & Risk Management (BAF)</td> <td>X</td> <td>Other:</td> <td></td> </tr> </table>			Finance Revenue & Capital	X	Equality & Diversity	X	National Policy/Legislation	X	Patient Experience		Human Resources		Terms of Authorisation	X	Governance & Risk Management (BAF)	X	Other:	
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Action Required: (please X)	<table border="1"> <tr> <td>Approve</td> <td>X</td> <td>Discuss</td> <td>X</td> <td>Receive for information</td> <td></td> <td>Decision</td> <td></td> </tr> </table>			Approve	X	Discuss	X	Receive for information		Decision									
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Previously Considered By:	<table border="1"> <tr> <td>N/A</td> <td>Date:</td> <td></td> </tr> </table>			N/A	Date:														
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Recommendations:	<p>That the Board:</p> <ul style="list-style-type: none"> Approves the proposed changes to the Standing Orders/Standing Financial Instructions/Scheme of Delegation; Notes the outcome of the Governance review findings and proposed next steps and considers whether a meeting of Committee Chairs should be established or whether the membership of the Audit and Risk Committee should consist of Committee Chairs; Notes the clarification regarding the balance of executive and non-executive directors on the Board 																		

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| | <ul style="list-style-type: none">• Approves the NHS Improvement Self Certification Declarations;• Approves the proposed changes to the terms of reference of the Audit and Risk; Finance, Performance and Digital; People; and Quality and Safety committees;• Notes the arrangements for this year's Annual Members Meeting/Annual General Meeting being held on 19 July 2019; and• Considers whether any items should be added to/removed from the Board work programme. |
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Company Secretary's Report

26 June 2019

1. Standing Orders/Standing Financial Instructions/Scheme of Delegation

A recent review of this document has resulted in the following proposed minor amendments:

- Standing Financial Instructions
20.7 Authorisation of Tenders and Competitive Quotations
The authorisation levels have been amended from £30k to £50K to fit with the procurement system as below:

Budget holder level 1	up to £5k
Budget holder level 2	up to £50k
Budget holder level 3	between £50k-£250k
- Scheme of Delegation
In the Scheme of Delegation reference to Clinical Executive Group (CEG) and Executive Directors Group (EDG) has been clarified to confirm that the delegated executive director with the appropriate support from CEG or EDG.
- Throughout all documents any reference to the Associate Director of Workforce has been amended to the Director of People and OD.

The Board is requested to approve the proposed amendments.

All three documents are due to have a more detailed review before the end of 2019/20.

2. Governance Review Findings

The Trust introduced a refreshed organisational governance structure in January 2019. Internal Audit completed a review of the effectiveness of that structure (and of the Committees operating within it) in May 2019 and the findings and recommendations are contained in the Internal Audit report attached at Annex A.

Overall, the Internal Audit concluded the Trust has an effective governance structure in place, with adequate reporting to and from sub-committees of the Board and a 'Significant' audit opinion was concluded. However, a small number of recommendations were made regarding ways in which to improve the effectiveness of the committees:

- Findings from the survey should be reported to the committees: this report highlights the recommendations made by Internal Audit and action being taken to progress these and will be shared with each Board committee;
- The **Finance, Performance and Digital Committee** should review high level risks assigned to it on a monthly basis and the Board Assurance Framework on a quarterly basis: the work plan contains a standing 'review of all risks assigned to the Committee' item and the review of the Board Assurance Framework has been timetabled into the work programme;
- To maximise the effectiveness of committees, staff required to attend should ensure they attend or send a deputy (if permitted by the terms of reference) and should forward their apologies to meetings: all committee meeting attendees will be reminded, through emails sent to them containing their meeting papers, of the need to submit apologies in advance of meetings;
- There should be a review of the frequency of committee meetings to ensure that frequency is still appropriate: two of the Trust's committees (**Finance, Performance and Digital and Quality and Safety committees**) currently meet on a monthly basis. During the review of these findings, those committees will be requested to consider whether the frequency of meetings is appropriate and effective;

- The Trust should continue to develop its processes to ensure that the complementary relationship between Board committees is working effectively (perhaps through meetings of the Chairs of the Committees): the **Board** is asked to consider whether regular Committee Chair meetings should be established or whether current Committee Chairs should become members of the Audit and Risk Committee;
- The Trust should continue to develop and benchmark its KPIs and to develop its Board reporting to adopt a more integrated reporting approach: the Trust's Integrated Governance dashboard continues to evolve following regular reviews of its effectiveness; and
- The Trust should consider, as committees mature and to reduce the Board workload, whether greater dependence could be placed upon committees in terms of performance monitoring and the provision of assurances to the Board. Monitoring by the Board would then be by exception or where issues are considered to be material enough to be escalated: As part of the review of the IPR we will consider what information is considered by each sub-committee and the reporting of this to the Board. After six months we will review how this is working and whether we can change the way performance is reported and monitored at the Board.

3. Clarification on the balance of the Board

At the Audit and Risk Committee meeting held on 24 May, clarification was sought on the procedure to be followed should there be more Executive Directors at a Board meeting than Non-Executive Directors and an important matter required a vote. It should be noted that there are currently eight non-executive directors (including the Chair) and five executive directors (plus one vacancy). There are three associate directors but these do not have voting or decision making rights at the Board. As a result it is unlikely that there would be a position where there are more executive than non-executive directors.

Appendix 7 of the Standing Orders for the Practice and Procedure of the Board of Directors states that:

“One third of the members of the Board including no fewer than two (2) executive directors, and no fewer than two (2) non-executive directors (one of whom must be the Chair or the Deputy Chair of the Board and as such has a casting vote) shall form a quorum”.

Should not all members be able to attend a meeting in person, then the Standing Orders provide that they can attend via other means:

“Any member of the Board of Directors who is not able to be present in person may participate in a Board of Director's meeting by means of conference telephone or any other electronic means, which allows all persons participating in the meeting to hear each other. A director so participating shall be deemed to be present in person at such meeting and shall be entitled to vote and counted in the quorum. Such a Board of Director's meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chair is located. The Chair of the Trust or, in their absence, the Deputy Chair of the Board of Directors, is to chair meetings of the Board of Directors”.

Consequently, it is unlikely a situation would arise where Non-Executive Directors would not be able to attend the meeting to discuss an important matter. If it were to arise, the Standing Orders provide that the Chair and Secretary or one third of directors can call a meeting. This would enable Non-Executive Directors to call a meeting to discuss the important matter.

4. NHS Improvement Self Certifications

At its meeting on the 29 May 2019, the Board approved NHSI Self Certification declarations 1 and 2 (systems for compliance with licence conditions - in accordance with General condition 6 and Continuity of service condition 7 of the NHS provider licence).

Declarations 3 (Corporate Governance Statement), 4 (Certification on AHSCs and Governance) and 5 (Certification on training of Governors) are appended to this paper at Annex B and require Board approval.

The Board is asked to approve the declarations.

5. Proposed Changes to Board Committee Terms of Reference

A recent review of the terms of reference of each committee highlighted some areas of duplication/inconsistency in style. Consequently, amendments were made to these and the revised versions were forwarded to committees for agreement. The documents also incorporate reference to Governors being invited to observe committees (as agreed by the Board). The terms of reference for the following committees are appended to this paper at Annex C for Board approval:

- Audit and Risk Committee (agreed by the Committee at its meeting on 24 May);
- Finance, Performance and Digital Committee (agreed by the Committee on 23 April);
- People Committee (agreed by the Committee on 22 May); and
- Quality and Safety Committee (to be considered by the Committee on 19 June);

The proposed changes are highlighted through track changes.

6. Annual Members Meeting/Annual General Meeting: 19 July 2019

This year's Annual Members Meeting/Annual General Meeting will be taking place on the same day as the Open Day (19 July 2019). It will start at 1.00 pm (when registration will open) and will conclude by 3.15 pm. As well as hearing about the Trust's performance over the year and its plans for the year ahead, those attending will be given an opportunity to put their questions to the Board and to take part in discussions about the Trust's services and plans. Board members will be asked to answer questions from the floor (as appropriate) and will have an opportunity to network with key stakeholders including staff, patients, their carers, governors and members of the Trust. The draft programme for the day is attached at Annex D.

7. Board work plan

The Board of Directors meeting forward plan has been updated and is attached at Annex E.

The Board is asked to consider whether there are any other items they would like to add for the forthcoming year and approve the forward plan.

8. Recommendations

The Board is asked to:

- Approve the proposed changes to the Standing Orders/Standing Financial Instructions/Scheme of Delegation;
- Note the outcome of the Governance review findings and proposed next steps and consider whether a meeting of Committee Chairs should be established or whether the membership of the Audit and Risk Committee should consist of Committee Chairs;
- Notes the clarification regarding the balance of executive and non-executive directors on the Board
- Approve the NHS Improvement Self Certification Declarations;

- Approve the proposed changes to the terms of reference of the Audit and Risk; Finance, Performance and Digital; People; and Quality and Safety committees;
- Note the arrangements for this year's Annual Members Meeting/Annual General Meeting being held on 19 July 2019; and
- Consider whether any items should be added to/removed from the Board work programme.