Whittington Health NHS

Trust Board Meeting

ITEM: 21
DOC: 18

DATE: 28 March 2012

TITLE: Board Governance Assurance Framework – Board Governance Memorandum

SPONSOR: Fiona Smith, Director of Planning & Programmes	**REPORT FROM:** David Seabrooke, Interim Coprorate Secretary

PURPOSE OF REPORT: To approve the Board Governance Memorandum, the action plans and the "RAG" self-assessments it contains as the basis for the external assessment.

EXECUTIVE SUMMARY: The completion of the Board Governance Memorandum (BGM) is a mandatory step for aspirant foundation trusts. It was introduced in response to concerns expressed by Monitor about board capability and capacity in applicant/aspiring foundation trusts (AFTs).

It asks for comments and evidence about the board's capability and commitment, its self-evaluation and development, its intelligence and insight and its internal and external engagement. In addition, there are four completed case studies.

Three further methodologies on quality, finance and strategy have also been published by the Department of Health.

The completed BGM is attached; the assessment ratings for each sub-section are either Green or Amber-green. 4.3 Board Profile and Involvement is scored amber-red on the basis of the evidence available.

Each of the c120 good practice elements detailed in the BGAF is linked to supporting information which will be available to the assessor. Where the Trust is not currently meeting best practice, the requirement for explicit action plans is stated and this is being taken forward by the Executive as detailed in part B.

The Trust's self-assessment will be tested by an external assessor in the coming weeks and the programme of activity is summarised in the supporting information. At the end of the process, a written report will be produced which will inform the Trust's FT assessment.

PROPOSED ACTION: That the Board governance Memorandum be approved and the Executive be asked to provide action plans as required

APPENDICES: Completed Board Governance Memorandum

DECLARATION
In completing this report, I confirm that the implications associated with the proposed action shown above have been considered – any exceptions are reported in the Supporting Information:
Implications for the NHS Constitution, CQC registration
Financial, regulatory and legal implications of proposed action
Risk management, Annual Plan/IBP
Moving Ahead – how does this report support any of the Trust's 5 Strategic Goals

Supporting Information

The external assessment is required to be funded by the applicant trust and this is understood to be £20,000.

Part A: Process

1. The principal BGAF stages

BGM completed by AFT Board	BGM approved by AFT Board and signed-off by the AFT Chair	BGM tested by an independent supplier	Independent report produced by supplier and submitted to AFT Board, DH and SHA Cluster	Undertake the development modules where required

2. The Themes covered in the BGAF

Composition & Commitment

- Board positions and size
- Balance of skills, knowledge & experience
- Member commitment

Insight & Foresight

- Board performance reporting
- CIPs & QIPP
- External environment & strategy
- Quality & timeliness of papers/info

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Evaluation, Development & learning

- Effective evaluation
- Whole Board development programme
- Induction, succession & contingency planning
- Appraisal & personal development

Engagement & Involvement

- Stakeholder involvement
- Communicating priorities & expectations
- Profile & visibility
- Future engagement with governors

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3. The four case studies

BGM Theme (pre-set)	Local Subject
Performance	Haringey Children's Service
Quality	Maternity Deep Dive
Organizational culture change	Medical Managers
Organizational strategy	Whittington Strategy

4. The self-assessment criteria

The scoring criteria for each section are as follows:

Green if the following applies:

All good practices are in place unless the Board is able to explain why it is unable or has chosen not to adopt a particular good practice.

No Red Flags identified.

Amber/ Green if the following applies:
Some elements of good practice in place.
Where good practice is currently not being achieved, there are either:

- robust Action Plans in place that are on track to achieve good practice; or
- the Board is able to explain why it is unable or has chosen not to adopt a good practice and is controlling the risks created by non-compliance.

One Red Flag identified but a robust Action Plan is in place and is on track to remove the Red Flag or mitigate it.

Amber/ Red if the following applies:

Some elements of good practice in place.

Where good practice is currently not being achieved:

- Action Plans are not in place, not robust or not on track;
- the Board is not able to explain why it is unable or has chosen not to adopt a good practice; or
    - the Board is not controlling the risks created by noncompliance.

Two or more Red Flags identified but robust Action Plans are in place to remove the Red Flags or mitigate them.

Red if the following applies:
Action Plans to remove or mitigate the risk(s) presented by one or more Red Flags are either not in place, not robust or not on track

5. The assessment process following board approval

The external assessment is expected to take 2-3 months to complete.

Part 1 – Prelimary

- Calls with external stakeholders. To include: main commissioners, SHA Cluster lead, Chair of the local Overview and Scrutiny Committee, external auditors, MPs and, if appropriate, other providers.

Part 2 – On-site

- Introductory meeting with Chair, CEO and Company Secretary;
- A focus group with patients, service users, carers and Trust volunteers.
- Observe a Board meeting.
- Conduct a Board-to-Board
- Interview with Company Secretary
- Interviews with every member of the Board (1 hr each).
- Conduct 2 staff focus groups (1.5 hrs and between 15 and 25 staff per focus group). Attendees should be randomised but include: senior and junior medical; registered nurses; nursing assistants; support staff; staff side/ LMC.

Part 3 – Winding up

- Analysis of themes and 'Confirm and Challenge' session with the Chair and CEO.
- Production of a report documenting the findings from the desktop and on-site review.
- Final liaison with the Board (possible presentation to the Board).

6. What the assessor's report will say

1. Where their independent findings are consistent with the AFT Board's findings;

2. Where they believe there is insufficient evidence to support the ratings provided by the AFT

3. Recommendations to improve the AFT Board's ratings and/or areas where they believe additional assurance is required;

4. An indication of whether or not there are any major risks from a Board governance perspective with the AFT achieving the timeline as outlined in their Tripartite Formal Agreement.

Part B –Requirements for action plans

Ref	Description	RAG	Comments	Action
1.1.2	Balance and calibre of Board members	Green	There is an action plan to complete EA '10 assessment, once the final NED appointment is filled	Margaret Boltwood Conduct and report on evaluation – June 2012
2.2. 2 and 4	Board development (seminar) programme	Green	Produce a forward board development programme	David Seabrooke and Siobhan Harrington – May 2012
2.2.6	Whole Board development programme	Green	The board has yet to review its development needs post-authorisation	Margaret Boltwood/David Seabrooke Conduct training needs analysis to take into account future requirements - May '12
2.3.5	Board induction, succession and contingency planning	Amber-Green	There is an action plan to resume succession planning	Margaret Boltwood Re-start through refreshed Nominations & Appointments Committee – May '12
2.4.3 and 4	Board member appraisal and personal development	Amber-Green	Board members do not currently have PDPs and objectives	Margaret Boltwood - May '12 Ensure that the appraisal process results in an evaluation of individual training needs
3.1 (red flag 4)	12 month rolling cash flow forecast	Amber green	This will be introduced from May '12 – either board or new finance committee	Richard Martin – May '12
3.1.2	Board performance reporting	Green	Service line reporting	Maria da Silva Agree a trajectory to bring about service line management – April '12
3.2	Efficiency and productivity	Amber-green	CIP process	Maria da Silva Document the process for planning, assessing, delivering, overseeing and reviewing CIPs
3.3 (red flag 2)	Environmental and strategic focus	Amber-green	Seminar programme	Siobhan Harrington Ensure programme allows for time to consider environmental and strategic downside risks
3.3 (red flag 3)	Environmental and strategic focus	Amber-green	Corporate objectives and monitoring	Fiona Smith and Siobhan Harrington Establish quarterly monitoring of progress – April 2013
3.3.5	Board insight and foresight	Green	Corporate objectives and monitoring	Fiona Smith and Siobhan Harrington Set out objectives for 2012/13 and
3.4 (red flag 3)	Quality of Board papers	Amber green	Data quality	Richard Martin Introduce regular reporting to the board and quality committee via the performance report
4.1 1, 3 & 4 4.2.2	External stakeholders Internal stakeholders	Amber-green	The engagement plan is a work in progress The IBP is a work in progress and the public engagement is planned	Fiona Smith and Siobhan Harrington Complete the Stakeholder Engagement Plan – April '12 Set out the internal and external engagement plan when for the final draft of the IBP
4.2	Internal stakeholders	Amber-green	Trust values for staff	Margaret Boltwood Complete work around renewing the Trust's values – April 2012
4.3	Board profile and visibility	Amber-red	RF1 & 2 may apply; an action plan to formalise practices around GP 1-4	David Seabrooke and Siobhan Harrington Devise a programme to strengthen

Ref	Description	RAG	Comments	Action
				board member engagement activities – May '12 Bronagh Scott Complete refreshed board walkrounds process – April '12
4.4	Future engagement with FT governors	Amber green	Roles and responsibilities, Engagement and induction of and with governors	Fiona Smith – July 2012 Set out an action plan to consolidate and clarify the operation of these in 2013, in light of the Health & Social Care Bill based on experience gained