York Teaching Hospital NHS
NHS Foundation Trust

Board of Directors – 24 June 2015

Corporate Governance Statement and other Certificates to be submitted to Monitor

1. Introduction and background

As the Board is aware following the introduction of the Health and Social Care Act 2012, Monitor changed their regulatory arrangements. Monitor moved away from Terms of Authorisation and released a licence; Monitor also introduced the Risk Assessment Framework which replaced the Compliance Framework.

Part of the additional regulatory arrangements is that Trusts are required to provide a number of additional statements during the year. Last month the Board was asked to approve a statement related to systems of compliance with license conditions and the availability of resources.

This month the Board is asked to consider and approve

- Corporate Governance Statement – confirming compliance with condition FT 4 of the provider licence
- Certification of AHSCs and governance – as required by Appendix E of the Risk Assessment Framework
- Training of governors' statement – as required by s.151 (5) of the 2012 Act.

2. Corporate Governance Statement

Monitor has provided a framework for this statement based condition FT4 of the provider licence. This framework includes a number of key statements which the Trust is required to respond to.

The Board of Directors is required to approve the statement before it is submitted to Monitor at the end of the Month.

1 The Board is satisfied that the Trust applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.

Response

The Board has reviewed the Code of Governance published by Monitor in 2014 and confirms compliance with all requirements, except of:

- One Non-executive Director has a spouse who works as a senior clinician in the organisation.
- The chairman who concluded his term of office in April had been in office for 9 years. Additionally, one of the Non-executive Directors was reappointed by the Council of Governors to serve a third-three year term.
- The Council of Governors has chosen not to make an appointment from the university medical or dental schools to the Board of Directors.

- The composition of the Board of Directors is the Chairman and 6 Non-executive Directors and 7 Executive Directors. There are two additional Directors who are members of the Board, but are not voting Directors. The Chairman has the casting vote.

The Board continues to keep the Corporate Governance arrangements under review as part of its approach to good governance. During the year, the Risk Management Department secured the support of an external advisor who provided additional training and support to the planned improvements to ensure fully integrated risk management arrangements are in place. This work is now being embedded into the organisation and is overseen by the Corporate Risk Committee. Work continues to revise the Corporate Risk Register and Assurance Framework in line with the development plans.

The Trust has launched a governance review that is designed to improve the connections and alignments in a number of areas including simplifying the information flows and gaining clarity about decision making. The work has been informed by an Internal Audit Report 'Strengthening Corporate Accountability through Staff Conduct and Competence' and guidance from the CQC on the 'Fit and Proper Person Test'.

The aim of the review is to provide greater clarity of purpose and leadership, more purposeful transactions within the organisation and to remove any redundancy or duplicated effort at both an individual and collective level. It will provide stronger assurance to the Board and align the organisation's strategy against the Board agenda and provide a clear and transparent structure. In turn this will influence and improve the internal controls employed in the organisation.

The Board of Directors has confirmed that it complies with the elements of Monitor's Quality Governance Framework. Assurance and compliance are monitored via the Quality and Safety Committee, a subcommittee of the Board of Directors and the Board will review a revised action plan to ensure the Trust continues to comply with the framework.

An Annual Plan is produced each year which underpins the strategic plan that covers 5 years. The Board has reviewed both the Annual Plan and the Strategic Plan. The development of these Plans has involved consultation with the Governors and the key stakeholders of the Trust.

The Board has in place a number of Board Committees that support the Board in the discharge of its duties. These are Quality and Safety, Finance and Performance, Corporate Risk, Audit, Workforce Strategy Committee and Remuneration Committee. This year the Board agreed to a further Board committee being introduced that addresses estate and environment issues.

The Board reviews performance monthly through the Performance Report, Chief Nurse Report and Medical Director Report and Chief Executive Report. In preparation for the monthly Board meeting, the Quality and Safety Committee and Finance and Performance Committee meet and discuss the performance in detail. The results of these meetings are included in the Board meeting and so provide current assurance. Quarterly, the Board reviews the draft statement submission to Monitor and confirms that the information included is consistent with the information received by the Board during the quarter.

The Patient Safety and Quality Report provides detailed information about patient safety issues such as mortality, harm events, infection control issues, drugs administration and patient safety walk rounds. It provides information on clinical effectiveness and patient experience. The Medical Director Report supports this information and provides more detail

around key topics such as SHMI, PROMS and the Patient Safety Strategy.

The Workforce Strategy Committee meets every two months to discuss workforce issues and oversees the strategic management of workforce. The workforce in the organisation is a key element of expenditure and impacts on the quality and safety of care the organisation delivers. The Committee does not fulfil an assurance role, but provides a forum for the Board to consider appropriate workforce strategies to adopt The findings from these meetings are included in the Board meeting and provide insight and advice to the Board on the appropriate strategies to adopt around workforce.

The Trust produces an annual quality report. It identifies the priorities for patient safety, clinical effectiveness and patient experience for the coming year. These are aligned to the CQUIN targets and the Patient Safety Strategy.

All members of the Board of Directors have received an appraisal in the last 12 months; the Executive Directors are appraised by the Chief Executive, and the Chief Executive is appraised by Chairman. The Non-executive Directors are appraised annually by the Governors, through the leadership of the Chairman. The Chairman is also appraised annually; this appraisal is jointly-led by the Senior Independent Director and the Lead Governor

The Board has developed and articulated a clear vision for the organisation which is supported by the strategies that have been formulated by the Trust.

The Trust has in place a fully developed clinical audit programme which is led by the Medical Director. The programme includes national audits and confidential enquires, along with local clinical audits designed to improve the quality of healthcare provided.

The Trust implements a programme of patient safety walk rounds that involve all Board members. The output from these walk rounds is reviewed and actioned by the Executive Directors and reviewed by the Quality and Safety Committee and reported monthly to the Board.

The Trust has in place a Nursing & Midwifery Strategy and a Patient Safety Strategy. These strategies underpin the approach the Trust adopts to quality and safety.

The Board receives a quarterly update from the Director of Infection Prevention and Control on the performance of infection control and the actions being undertaken to improve performance. This quarterly report is underpinned by the monthly update the Board receives as part of the monthly performance reporting presented by the Medical Director.

The Board agenda is designed so the Board considers patient safety and quality issues first and all other items are related back to patient safety and quality.

2 **The Board has regard to such guidance on good corporate governance as may be issued by Monitor from time to time**

Response

The Board has put in place a system where all guidance on good corporate governance is reviewed and any areas of non-compliance are reported to the board on a ‘comply or explain’ basis.

3 **The Board is satisfied that the Trust implements:**

(a) Effective board and committee structures;
(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and
(c) Clear reporting lines and accountabilities throughout its organisation.

Response

The Board has instigated a governance review which has included reviewing the committees and underpinning group structure. This has resulted in an additional Board Committee being introduced. As the governance review continues further work will be undertaken during the year to ensure the group structures are lean and fit for purpose. Work is also being undertaken to review the Board agenda and information flows.

The accountability arrangements in place at Board and at committee level are clearly understood and acted upon. The Chairs of the Committees report regularly to the Board of Directors on the progress of work in the Committee. The key committees associated to performance in the Trust (Quality and Safety, Finance and Performance) report monthly to the Board and provide assurance around the previous month's reports. The Workforce Strategy Committee reports every two months and provides the Board with an update on the on-going workforce challenges experienced by the organisation and the actions being taken to address the issues.

As part of a governance review the Trust has reviewed the accountability arrangements across the organisation and is undertaking a further piece of work to strengthen the understanding that staff have around their reporting lines and accountability arrangements across the Trust.

4 **The Board is satisfied that the Trust effectively implements systems and/or processes:**

(a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;
(b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;
(c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions;
(d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);
(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;
(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;
(g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and
(h) To ensure compliance with all applicable legal requirements.

Response

The Board is satisfied that the Trust has effectively implemented systems and processes that ensure compliance with the Licensee's duty to operate efficiently, economically and effectively. As part of the year-end process, the Trust undergoes an independent audit which includes a review of the use of resources. The External Auditors gave an unqualified opinion on the use of resources in the Trust. The Trust's Audit Committee reviews the systems and processes (including clinical audit) in place, which includes those parts of the Licensee duty and reports regularly to the Board of Directors on the findings and assurances the committee has received. The Trust has in place a robust internal audit service provided by an independent organisation and an agreed work programme of audits that are undertaken during the year. These audits are reported directly to the Audit Committee.

The Board has received information on the requirements of the licence and during the year has reviewed the quarterly compliance of the Trust with the expected targets and trajectories.

The Board maintains awareness of the regulatory, legal and standard requirements that are placed on Trusts and raises them at the Board as they become known and as they come into effect. The most recent example of this is the recent requirement around staffing establishment in ward areas.

The Board has received assurance from the External Auditors on the effectiveness of the systems and processes in place around effective financial decision making, management and control. This has formed part of the year end assurances received by the Board. This is also underpinned by the Internal Audit programme of audits undertaken during the year. Reports are submitted for review to the Audit Committee. The Audit Committee raises any concerns with the Board of Directors. The Trust also underwent a review by Monitor on the Cost Improvement Programme. That report was positive in most regards about the systems and processes in place in the organisation around the management of cost improvements and provided recommendations, which have been accepted, to further strengthen the programme.

The Board has a robust work programme which ensures that information required at the Board is received in a timely manner. The Committees supporting the Board meet on a regular basis and have a detailed forward work programme which is fed from the Board and other more operational groups and which feeds information forward to the Board. Between meetings there is ongoing debate between the Chairman, Chief Executive, other Directors, Non-executive Directors and Foundation Trust Secretary to ensure any adjustments to programmes or agendas are addressed. The Trust has in place an action plan following each meeting which is implemented within the agreed timelines.

The Board receives monthly information on the performance of the Trust and reviews any potential breach of the terms of the licence. During the year the Trust has been in breach of a number of key targets. The Trust has been subject to a review by Monitor towards the end of the year and was found not be in breach of its licence. The Trust appointed a Chief Operating Officer who has assumed responsibility for the achievements of performance against the targets. She has developed a Performance Recovery Plan which is reported on a weekly basis internally and quarterly to Monitor. The Trust continues to have a dialogue with Monitor on the key performance metrics that at present are not being met, specifically the Emergency Department 4-hour wait. The Board has identified future financial challenges for the organisation and has instigated a programme of work to address these potential challenges. This work has been reported to Monitor. Progress against the programme will be reported to the Board on a monthly basis.

The Trust keeps the annul plan under review during the year. The Chief Executive provides a six month summary of performance against the annual plan in his Board report. The Trust involves the Governors in the development of the annual plan and strategic plan. The intention is to hold a Board to Board meeting in November with the Governors and to reflect on the half year position and the development of the plan for 2016/17.

5 The Board is satisfied that the systems and/or processes referred to in paragraph 5 should include, but not be restricted to, systems and/or processes to ensure:

(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;
(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;
(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;
(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;
(e) That the Trust, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and
(f) That there is clear accountability for quality of care throughout the Trust including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.

Response

The Board considers the capabilities of the Board members during the year.

During the year, it merged the Director of HR role with the Director of Organisational Development, the Trust now has one Director responsible for workforce and organisational development.

The Trust appointed a new Chief Nurse and a Chief Operating Officer. The Deputy Chief Executive has assumed responsibility for the delivery of the community services aspect of service and developing external relations with key stakeholders. The Medical Director retired on 5 June 2015 and the role is held by two Deputy Medical Directors on an interim basis. The DIPC role has on an interim basis, been moved to the Chief Nurse. The Board reviews the capabilities of the Board members individually as part of the annual appraisal process, including discussion of succession planning

The Board makes collective decisions and takes into account the quality aspects of any decision made. During discussions in the Board meeting, the Chairman actively seeks the views of the Medical Director, Chief Nurse in terms of the implications on the quality of care of a decision. The Quality and Safety Committee also provides an additional opportunity for the Board to receive assurance on the impact services have on quality. The Quality and Safety Committee reviews papers in advance of the Board and provides the Board with the assurance it needs around the accurate and comprehensive nature of the papers.

The Board receives updated information from the Workforce Strategy Committee outlining the work being undertaken to ensure quality is being maintained from a workforce perspective. The Committee also provides the Board with oversight of initiatives being developed to address workforce risks identified on the risk register.

Each Board meeting receives a patient experience item as the first item on the agenda. This sets the context of the Board meeting and helps to ensure that the rest of the meeting is linked to quality and safety of services and patients. The Board has, through the Quality and Safety Committee, reviewed the Quality Governance Framework and will undertake a further review later in the year.

The Trust was part of a review instigated by Monitor following concerns around the delivery of key performance targets. Following Monitor's review it was confirmed the Trust was not in breach of its licence. Monitor has continued to discuss the performance with the Trust and has received a copy of the Operational Performance Delivery Plan. Discussions continue with Monitor

The Trust engages the Governors and users in the quality of services. The Trust has an patient experience department where patients and carers are actively encouraged to be part of the development of services.

Members of the Board have a weekly meeting, specifically involving the Chief Executive and Chief Nurse where complaints received by the organisation during the previous week are reviewed and an understanding of the scale and trend of the complaints is appreciated at a senior level. On a selective basis, the Chief Executive requests directors to personally supervise particularly sensitive or important complaints. There are a number of reports the Board of Directors receives on a monthly and quarterly basis which outlines the views and involvement of patients and the public in the work of the Trust.

The Trust also has a Patient Experience Steering Group which includes Healthwatch as part of its membership. This meeting collates information about patient experience and interprets it into future actions and ideas for strategy development.

The Medical Director and Chief Nurse meet weekly with the patient safety and risk and legal teams to review all infection control, mortality and serious incidents and other matters pertaining to patient safety and a summary of this meeting is presented weekly at the meeting of Executive Directors to ensure timely reporting and where required, immediate action.

Where there are issues or concerns raised by staff or patients there are a number of routes that can be used to ensure the Board is made aware of the issue when appropriate. The Directors, including the Non-executive Directors, undertake Patient Safety Walk rounds on a regular basis and speak to staff during those walk rounds. The walk rounds are also undertaken at night.

Staff are encouraged to raise concerns with their immediate managers or with a Director. The Chief Executive encourages staff to write to him directly on any matter they wish to raise with him and aims to respond to any enquiry within 24 hours.

The Medical Director and Chief Nurse raise safety issues at the Board monthly as part of their regular reporting. Recently the Quality and Safety Committee raised a quality issue around patients that have waited longer the 4- hours in the Emergency Department with the Board. Assurance has been received by the Committee and Board that safety has not been compromised by the delays patient have experienced in being treated.

6 The Board is satisfied that there are systems to ensure that the Trust has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.

Response

The Trust continues to undertake nursing staff establishment audits and acuity audits and has increased the number of nurses in the organisation. The Workforce Strategy Committee, a Committee of the Board, reviews the detail in advance of the Board and provides support to the Board on the future development of staffing in the organisation.

The Board reviews its membership regularly and specifically on each occasion there is a vacancy in the Board.

2.1 Certification on AHSCs and governance

The Board is asked to approve the statement associated with this certificate. Again this is required to be submitted to Monitor by the end of the month.

For NHS foundation trusts:

• that are part of a major Joint Venture or Academic Health Science Centre (AHSC); or
• whose Boards are considering entering into either a major Joint Venture or an AHSC.

The Board is satisfied it has or continues to:

• ensure that the partnership will not inhibit the trust from remaining at all times compliant with the conditions of its licence;
• have appropriate governance structures in place to maintain the decision making autonomy of the trust;
• conduct an appropriate level of due diligence relating to the partners when required;
• consider implications of the partnership on the trust's financial risk rating having taken full account of any contingent liabilities arising and reasonable downside sensitivities;
• consider implications of the partnership on the trust's governance processes;
• conduct appropriate inquiry about the nature of services provided by the partnership, especially clinical, research and education services, and consider reputational risk;
• comply with any consultation requirements;
• have in place the organisational and management capacity to deliver the benefits of the partnership;
• involve senior clinicians at appropriate levels in the decision-making process and receive assurance from them that there are no material concerns in relation to the partnership, including consideration of any re-configuration of clinical, research or education services;
• address any relevant legal and regulatory issues (including any relevant to staff, intellectual property and compliance of the partners with their own regulatory and legal framework);
• ensure appropriate commercial risks are reviewed;
• maintain the register of interests and no residual material conflicts identified; and
• engage the governors of the trust in the development of plans and give them an opportunity to express a view on these plans.

Response
Confirmed.

2.2 Training of Governors
For this declaration the proforma does not give the option of a written response, it is purely a confirm statement. The Trust has provided training to governors through a number of forums including: within the Council of Governors meeting with presentations from the Medical Director, Chief Nurse, and the Deputy Chief Executive. The regular presentations from the Chief Executive also support their development and understanding of the Trust. There have also been specific sessions held for Governors on finance, nursing and estates The statement included in the proforma is as follows: **The Board is satisfied that during the financial year most recently ended the Trust has provided the necessary training to its Governors, as required in s151(5) of the Health and Social Care Act, to ensure they are equipped with the skills and knowledge they need to undertake their role.** **Response** Confirmed.
3. Recommendation
The Board is asked to consider and approve the attached statements prior to their submission to Monitor.

Author	**Anna Pridmore, Foundation Trust Secretary**
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Date	**June 2015**