

## Council of Governors: Summary Sheet

14 July 2017

**Item 9**

**Title of Paper:** Annual Governance Statgement

**Presented By:** Margaret Saunders, Director of Corporate Governance

**Action Required:**

<b>For Information</b>	<input checked="" type="checkbox"/>	<b>For Ratification</b>	<input type="checkbox"/>	<b>For a decision</b>	<input type="checkbox"/>
<b>For Feedback</b>	<input type="checkbox"/>	<b>Vote required</b>	<input type="checkbox"/>	<b>For Receipt</b>	<input type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	
Determining the remuneration of the Chair and non-executive directors	
Appointing or removing the trust's auditor	
Approving or not the appointment of the trust's chief executive	
Receiving the annual report and accounts and auditor's report	
Representing the interests of members and the public	
Approving or not increases to non-NHS income of more than 5% of total income	
Approving or not acquisitions, mergers, separations and dissolutions	
Jointly approving changes to the trust's constitution with the Board	
Expressing a view on the Trust's forward plans	
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution.	x
Monitoring the Trust's performance against its targets and strategic aims	

### How does this item support the functioning of the Council of Governors?

The Annual Governance Statement demonstrates to the Council of Governors that the Trust is fully compliant with its provider licence and terms of authorisation.

<b>Author of Report:</b>	Jill Dentith
<b>Designation of Author:</b>	Management Consultant
<b>Date:</b>	July 2017

## AUDIT COMMITTEE AND BOARD OF DIRECTORS MEETING (Conf)

Date: 26 May 2017

Item Ref:

AC 06 BoD 03v
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<b>TITLE OF PAPER</b>	Self-certification against conditions G6, CoS7 and FT4 within the Provider Licence
<b>TO BE PRESENTED BY</b>	Margaret Saunders, Director of Corporate Governance (Board Secretary)
<b>ACTION REQUIRED</b>	The Board is required to sign off the self-certification (Appendix A), taking into account the views of governors
<b>OUTCOME</b>	Approved self-certification against the relevant conditions within the Provider Licence which are then published within one month following the deadline for sign-off
<b>TIMETABLE FOR DECISION</b>	Board must sign off on self-certification no later than: <ul style="list-style-type: none"> <li>G6 / CoS7 – 31 May 2017</li> <li>FT4 – 30 June 2017</li> </ul> <p>The Trust must publish the G6 self-certification within one month following the deadline for sign-off i.e. publication no later than 30 June 2017</p>
<b>LINKS TO OTHER KEY REPORTS / DECISIONS</b>	NHS Foundation Trust governance arrangements
<b>LINKS TO OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES</b>	<ul style="list-style-type: none"> <li>Provider Licence conditions</li> <li>Board Assurance Framework</li> <li>Head of Internal Audit Opinion</li> <li>Annual Governance Statement</li> </ul>
<b>IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT</b>	CoS7 “Availability of Resource” considers the financial implication of the return
<b>CONSIDERATION OF LEGAL ISSUES</b>	Demonstrates the Trust’s compliance with elements of the Provider Licence

<b>Author of Report</b>	Jill Dentith
<b>Designation</b>	Management Consultant
<b>Date of Report</b>	16 May 2017

## SUMMARY REPORT

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**Report to:** Audit Committee and Board (Conf)

**Date:** 26 May 2017

**Subject:** Self-certification against conditions G6, CoS7 and FT4 within the Provider Licence

**Presented by:** Margaret Saunders, Director of Corporate Governance (Board Secretary)

**Author:** Jill Dentith, Management Consultant

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### 1. Purpose

This paper provides the Audit Committee, and subsequently the Board, with information which will enable the Board to self-certify against conditions G6, FT4 and CoS7 of the Provider Licence.

### 2. Summary

#### 2.1 Three Conditions of the Provider Licence

On 21 April 2017 NHS Improvement (NHS I) advised the Trust about changes to the process for self-certification against some conditions within the Provider Licence.

NHS foundation trusts are required to self-certify whether they have or have not complied with the conditions of the NHS Provider Licence, have the required resources available if providing commissioner requested services, and have complied with governance requirements.

Providers need to self-certify against the following conditions after the financial year end:

Condition Ref.	Provider Licence Condition description
<b>G6 (3)</b>	The provider has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution
<b>FT4 (8)</b>	The provider has complied with required governance arrangements
<b>CoS7 (3)</b>	If providing commissioner requested services, the provider has a reasonable expectation that required resources will be available to deliver the designated service

The aim of self-certification is for the Trust to provide assurance that they are in compliance with the conditions. It is up to the Trust to determine how this is carried out. This year NHS I do not require Trusts to submit their self-certification to them, however, there is a requirement to publish their self-certification against Condition G6.

The self-certification is attached at Appendix A for Board approval.

## **2.2 Training of Governors**

In addition NHS I required Trusts to self-certification against S151 (2) of the Health and Social Care Act. Although this is not a condition of the Provider Licence the Trust is required to “--- take steps to secure that the governors are equipped with the skills and knowledge they require ---“. There are no set requirements for reporting on this, it is left to the discretion of providers how they demonstrate compliance.

Section 3.1.27 of the Trust’s Annual Report gives some detail as to the training provided for governors. This is also detailed in Appendix A of this report with supplementary information.

## **2.3 Taking into account the views of Governors**

Due to the timing of the guidance being received from NHS I and the deadlines imposed it has not be possible to share a copy of this paper at a formal Council of Governor meeting. It was therefore agreed that a copy of this document would be shared with Governors by email. Governors support the self-certification submission and have made the following additional comments:

- Governors wanted to emphasise the importance of Governors attending conference to network, learn and share with others. These opportunities also enable information benchmarking to take place.
- Governors welcomed the opportunity to review the self-certification information in more detail. This will be raised when the self-certification document is presented at Council of Governor meeting in July 2017.

Board will take into account the views of Governors prior to approval and sign-off. The declaration will also be formally presented to Governors at their meeting in July with the Annual Accounts and Annual Report, which includes the Head of Internal Audit Opinion, Annual Governance Statement and Quality Accounts.

## **2.4 Audits**

As stated above, this year there is no requirement to submit information to NHS I, however, from July 2017, NHS I will contact a select number of NHS trusts and foundation trusts to ask for evidence that they have self-certified. This can be through provision of the relevant Board minutes and papers recording sign-off.

The actions taken in this paper will ensure that the Trust complies with the requirements for self-certification as required by NHS I. In parallel it should also be noted that the Trust commissioned an independent review of its compliance with its Provider Licence which was conducted by 360 Assurance. The final report and

recommendations were shared with Audit Committee at its meeting on 18 April 2017. This report recommended that the Trust should “*establish a formal, periodic (at least annually) review and reporting process of performance against each condition and sub-requirement.*” The Director of Corporate Governance will be considering the recommendations and effective ways to address this issue and will take a more detailed paper for consideration to an Executive Directors Group (EDG) in May with a recommended course of action to Board in June 2017.

### 3 Next Steps

Once the self-certification is signed-off by the Board the Director of Corporate Governance will post a copy of the self-certification on the Trust’s website no later than 30 June 2017.

The Director of Corporate Governance will take a paper to EDG in May and a further paper to Board in June with proposals on how to respond to the recommendations in the 360 Assurance internal audit report.

### 4 Actions

**Audit Committee** are asked to:

- note the above and attached, which takes into account the views of Governors;
- recommend to the Board that the self-certification be approved, signed and published.

**Board** are asked to:

- Note the above and attached, which takes into account the views of Governors;
- Note any comments from Audit Committee;
- Approve and sign the self-certification;
- Charge the Director of Corporate Governance with publishing the self-certification within the required timeframe;
- Note that a further paper will be brought to Board in June 2017 considering the management response to the recommendation to conduct a regular review against all licence conditions.

### 5 Monitoring Arrangements

The self-certification will be published within the required timescales.

A further paper regarding review against all licence conditions will be taken to EDG in May and Board in June 2017.

NHS I may select the Trust for audit purposes.

### 6 Contact Details

Paper produced by Jill Dentith, Management Consultant  
On behalf of

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**Sheffield Health and Social Care NHS Foundation Trust**  
**Self-certification against Provider Licence Conditions 2016-17**

Condition Ref.	Details of the Condition	Evidence	Self-certification
<b>G6</b>	<p><b>General condition 6 – Systems for compliance with licence conditions and related obligations</b></p> <p>Following a review for the purposes of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution</p>	<p>The Trust has established and implemented processes and systems to identify risks and guard against their occurrence. These are detailed in the Annual Governance Statement and include the Board Assurance Framework (BAF), Risk Register and governance structures in operation within the Trust.</p> <p>The Trust regularly reviews these processes and systems and their effectiveness. This has included a range of internal audit reports and management reviews of systems and processes. It has also included Board workshops on the BAF, Corporate Risk Register and risk appetite.</p> <p>Full details of actions taken are in the Annual Governance Statement and the Head of Internal Audit Opinion.</p>	Confirmed
<b>FT4</b>	<p><b>NHS Foundation Trust Conditions 7 - NHS foundation trust governance arrangements</b></p> <p>The Board is satisfied that the Licensees applies through principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services in the NHS.</p>	Details of compliance can be found within the Trust's Annual Report and Annual Governance Statement	Confirmed

Condition Ref.	Details of the Condition	Evidence	Self-certification
	<p>The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time.</p>	<p>Guidance from NHS I is reviewed and implemented as appropriate. This is supported with quarterly meetings with representatives from NHS I and the Trust Executive Management Team</p>	<p>Confirmed</p>
	<p>The Board is satisfied that the Licensee has established and implements:</p> <ul style="list-style-type: none"> <li>(a) Effective board and committee structures</li> <li>(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and</li> <li>(c) Clear reporting lines and accountabilities throughout its organisation.</li> </ul>	<p>Details of compliance can be found within the Trust's Annual Report and Annual Governance Statement.</p> <p>This year the Trust has completed a full Executive portfolio review and embedded a robust Board and Committee structure following full review in 15/16.</p>	<p>Confirmed</p>
	<p>The Board is satisfied that the Licensee has established and effectively implemented systems and / or processes:</p> <ul style="list-style-type: none"> <li>(a) To ensure compliance with the Licensees' duty to operate efficiently, economically and effectively;</li> <li>(b) From timely and effective scrutiny and oversight by the Board of the Licensee's operations;</li> <li>(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</li> <li>(d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and / or</li> </ul>	<p>Details of compliance can be found within the Trust's Annual Accounts, Annual Report, Annual Governance Statement and Quality Accounts.</p> <p>The Trust has been rated as "good" following a full CQC inspection.</p> <p>The Trust has completed its Annual Accounts and confirmed it has systems and processes to ensure its ability to operate as a going concern.</p> <p>The Trust produces strategic and business plans and monitors its ability to deliver against these plans through its Board Assurance Framework, Risk Register and Performance Reports.</p>	<p>Confirmed</p>

Condition Ref.	Details of the Condition	Evidence	Self-certification
	<p>processes to ensure the Licensee’s ability as a going concern)</p> <ul style="list-style-type: none"> <li>(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;</li> <li>(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;</li> <li>(g) To generate and monitor delivery of business plans (including any change to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and</li> <li>(h) To ensure compliance with all applicable legal requirements.</li> </ul>		
CoS7	<p><b>Continuity of Services 7 - Availability of Resources</b></p> <p><i><b>Note</b> There are three possible statements in relation to this condition. As the Trust’s commissioners confirmed that the Trust provides Commissioner Requested Services (CRS) the Deputy Director of Finance has confirmed that following statement can be made:</i></p> <ul style="list-style-type: none"> <li>(a) After making enquiries the Directors of the Licensee have a reasonable expectation that the Licensee will have the Required Resources available to it after taking account of distributions which might reasonably be</li> </ul>	<p>The Trust’s commissioners have confirmed that the Trust provides Commissioner Requested Services (CRS) which are detailed in the contract under Schedule 2 Part D ‘Essential Services’.</p> <p>The Trust has produced its Annual Accounts and has confirmed its ability to operate as a going concern and is therefore able to confirm that in relation to CRS the required resources will be available over the next financial year.</p>	Confirmed

Condition Ref.	Details of the Condition	Evidence	Self-certification
	<p>expected to be declared or paid for the period of 12 months referred to in this certificate</p>		
<p><b>Training of Governors</b></p>	<p><b>Training of Governors is not a licence condition but a requirement under the Health and Social Care Act</b></p> <p>S151(2) of the Health and Social Care Act states that [Providers] must take steps to secure that the governors are equipped with the skills and knowledge they require.</p>	<p>The Annual Report (Section 3.1.27) includes details of governor training. This details a rolling training programme including induction, NHS Provider and GovernWell bespoke training, joint training with Sheffield Teaching Hospital NHS FT and conferences.</p> <p>The Governors and Directors also held a joint workshop focusing on the strategic development of the organisation.</p>	<p>Confirmed</p>

This self-certification is signed by Jayne Brown, Chair of Sheffield Health and Social Care NHS Foundation Trust on behalf of the Board of Directors.

Signed \_\_\_\_\_

Dated \_\_\_\_\_