

28 July 2016
Item No 9

Council of Governors: Summary Sheet

Title of Paper: Annual Corporate Governance Statement

Presented By: Jason Rowlands

Action Required:

For Information	<input checked="" type="checkbox"/>	For Ratification	<input type="checkbox"/>	For a decision	<input type="checkbox"/>
For Feedback	<input type="checkbox"/>	Vote required	<input type="checkbox"/>	For Receipt	<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 Corporate Governance Statement provides Council with assurance that the Trust continues to fulfil its licence conditions and terms of authorisation.

Author of Report: Jason Rowlands

Designation of Author: Director of Planning, Performance & Governance

Date: 12th July 2016

SUMMARY REPORT

Report to: Council of Governors
Date: 28th July 2016
Subject: Corporate Governance Statement
From: Jason Rowlands

1. Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (please state below)</i>
				✓	
For the Council to be assured that the Trust continues to fulfil its license conditions and terms of authorisation as an NHS Foundation Trust					

2. Summary

As part of its annual plan submissions the Board is required to self-certify to NHS Improvement against the following two issues:

- General condition 6 of the NHS Provider Licence
- Corporate governance statement and training of governors

The Corporate governance statement is summarised in Appendix 1, along with a brief summary of the basis on which the self-certification should be considered.

3. Next Steps

Self-certification has been submitted to NHS Improvement

4. Required Actions

For the Council to review the self-certification statement and receive assurance regarding the Trust's compliance.

5. Monitoring Arrangements

The Trust's audit programme will continue to provide appropriate review and scrutiny of the Trust's compliance with various elements of the Corporate Governance statement

6. Contact Details

Jason Rowlands: 0114 226 3417 or jason.rowlands@shsc.nhs.uk

Corporate Governance Statement 2016-17

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.

In confirming this statement, the Board has considered the following:

- The Trust's Annual Governance Statement outlines the main arrangements in place to ensure the Trust applies the principles, systems and standards of good corporate governance expected of it as a provider of health and social care services.
 - The Governance Statement defines the Trusts
 - system of internal control,
 - its risk and control framework,
 - review of its on-going effectiveness of the use of its resources
 - arrangements for monitoring and reporting quality
 - overall review of effectiveness
- The Board has an on-going Board development programme in place that ensures the performance of the Board is reviewed appropriately, seeking the views of internal and external stakeholders as part of the process.
- The Board has clear accountability arrangements in place with its Council of Governors and invests in this relationship ensuring the Governors are well placed to discharge their responsibilities of ensuring local accountability.

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

In confirming this statement, the Board has considered the following:

- The Trust has arrangements in place to ensure all guidance issued by Monitor is received, noted by the relevant Board Committee, reviewed by the appropriate Officers within the Trust.
- Following each review it is confirmed if any action is required by the Trust to ensure the Trust continues to apply best practice / regulatory requirements. Progress against the required actions is monitored with a final report provided to the Board upon completion.
- Additional capacity has been put in place, as part of the review of Executive roles and portfolios to strengthen the role and office of Board Secretary function.

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.**

In confirming this statement, the Board has considered the following:

- The Board has a well-established committee structure that provides for effective review, scrutiny and decision making on the priority areas of the Boards business, namely quality of care, financial performance and governance.
- The Board reviews the performance of its Committees to ensure that they are discharging their duties as defined by their terms of reference, and to ensure they continue to remain focussed on the needs of the Trust going forward.
- The Board has undertaken a formal review, supported by internal audit, of its governance structures and arrangements to ensure that its systems and processes continue to ensure good standards of corporate governance are embedded within the operations and decision making of the Trust
- The Board has undertaken a review of its Executive functions and portfolios, supported by external input, and has introduced a range of changes to ensure the Board is able to responding to the changing landscape while ensuring the delivery of effective and safe services.
- There is an established reporting programme in place that ensures the Board Committees report to the Board, and that the Board Committees are provided with the necessary range of information and reporting to enable them to discharge their responsibilities.
- The Board has an annual audit programme, under the direction of its Audit and Assurance Committee to ensure appropriate prioritisation and external review matters deemed important for review.
- There is a clear Accountability structure in place throughout the Trust. This defines the responsibilities of the Executive Management Team, and the operational structures under their control. In line with good practice a review of accountability structures and arrangements within the Executive Team has been commissioned by the Chief Executive, supported by external advice and guidance, reporting with recommendations during June 2015.

<p>The Board is satisfied that the Trust effectively implements systems and/or processes:</p>
--

In confirming this statement, the Board has considered the following:

(a) To ensure compliance with the Licensee’s duty to operate efficiently, economically and effectively;

- The Boards infrastructure, namely the Committees of the Board of Directors together with various operational groups, ensure that the Board of Directors is assured that the organisation, decisions and business of the Trust is monitored effectively
- This is undertaken through a planned reporting framework that ensure the Board and its Committees are able to review and consider key areas including quality of care, workforce performance, financial performance, business performance and risks to the Trusts services and business.
- The Board has approved its revised Quality Improvement and Assurance Strategy (see c, below) which provide the Trust wide framework for ensuring service effectiveness. This is supported by established programmes, for example Microsystems in respect of quality and Productivity reviews of services using established methodologies developed in conjunction with Meridian.
- The Board has established processes in place to review cost efficiency programmes and plans that ensure proposed changes are appraised in respect of benefits and impact alongside the formal processes of Quality Impact Assessments.

(b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;

- An established reporting framework ensures that the Board receives monthly performance updates in respect of quality and safety, workforce, financial, contractual and commercial performance. This framework provides an overview of the Trust's operations.
- Relevant Committees of the Board review in detail through the year key areas such as control of infection, privacy and dignity, safeguarding, training and development, capital expenditure. The Committees review such matters on a quarterly basis prior to reporting to the Board for assurance purposes.
- The Trust has identified a need to improve its reporting arrangements to strengthen them further going forward. The main intention is to improve the range of information provided to front line services and improve the effectiveness and ease of analysis provided to the Board. This has been progressed through the development of business intelligence systems.

(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;

- See above (b)
- In addition to the above systems and processes the Board has reviewed and approved a revised Quality Improvement and Assurance Strategy that will further strengthen to systems across the Trust for monitoring standards of care alongside continuing to build capacity and capabilities to embed a culture of continuous quality improvement. The strategy focuses on the following five areas:
 - Delivering quality by creating the conditions for all our staff and every team to engage successfully in quality improvement underpinned by effective team governance
 - Ensuring measurable quality objectives are agreed across the organisation
 - Ensuring effective, supportive and responsive trust governance and assurance systems
 - Having clear arrangements to support delivery and accountability
 - Ensuring we have accurate and appropriate information available about the quality of care provided at all levels

(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);

- The Trust has clear Standing Financial Instructions in place that determine the agreed framework for financial decision making, management and control.
- There is an established and appropriate governance structure in place to ensure the SFI's are complied with and decision making and control relating to financial matters is effective. These related to business case processes, change processes, the Business Planning Group, Service Reviews, and the Finance and Investment Committee.
- Systems of internal control are in place and are subject to regular audit on an annual basis through the Trusts internal audit programme.
- The Trust's forward planning arrangements ensure appropriate review of the Trust's ability to continue as a going concern and this is formally reviewed by the FIC and the Board as part of the Annual Plan development and approval.

- Systems and processes are in place to scrutinise and review all CIP plans and decision making in respect of viability, ability to deliver and monitoring and evaluating outcomes. Alongside this formal process to ensure Quality Impact Assessments are undertaken are in place. These ensure that all planned efficiency savings are considered for their impact of service quality.

(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;

See above (b). In addition

- The Trust has a planned and established reporting programme in place. Audits undertaken through the year on a range of matters relating to the Trust's business and operations have not identified undue concerns regarding the timeliness and accuracy of information used to report to the Board in respect of decision making.
- As noted in (b) this is an area that has been identified for improvement, and will be progressed through continued development of the Trusts business intelligence system. This will support a range of improvements in the Trust's current reporting arrangements in respect of data quality standards, timeliness of production and the capacity to provide a comprehensive suite of supporting information relevant to the agenda under review.
- The Trusts revised Quality Improvement and Assurance Strategy will further ensure performance across teams is defined, monitored and areas of concern escalated to the appropriate forums under the risk register process.

(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;

- The Trust's Board Assurance Framework and Risk Register provide the framework through which risks are considered, reviewed and managed. These are managed operationally through the Executive management Team and reported formally to the Board of Directors.

(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

- The Trust has an annual planning process that ensures future business plans are identified at the early stages and are supported by appropriate engagement and approvals to proceed. The forward direction of travel for services is outlined in the Trust's annual plan, supported by Directorate level business plans. This annual process has full engagement with the Board and the Trust's clinical and managerial leadership teams of its Clinical Directorates.
- Progress against plans is reviewed during the year through formal Service Review processes between the Executive Management Team and Clinical/ Corporate Directorates. Progress against Trust wide plans is reported to the Board through the year.
- For individual plans the Trust has established business case processes that ensure appropriate clarity of purpose is defined with relevant project milestones. This supports monitoring of progress against the original plans.

(h) To ensure compliance with all applicable legal requirements.

- The above Governance, Risk and Control processes ensure that the Trust remains compliant with all the legal requirements pertaining to it and its business.

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:

In confirming this statement, the Board has considered the following:

(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;

- The Board's development programme ensures that the Board is engaged with the quality agendas of the Trust, and that the Board is equipped with the necessary knowledge and skills to provide clear and effective leadership focussed on delivering quality care.
- There are effective appraisal processes in place to support the Board members individually and collectively. The Board reviews its performance periodically and uses the learning and feedback from this to inform its future development agenda.
- The Board is engaged with key development and leadership programmes that focus on quality and quality improvement across the Trust. Examples of this are the Strategic Development Forum, Leadership Development Forum, Quality Improvement Group and the Council of Governors.
- The review of Executive roles and portfolios, completed during 2015-16 has ensured the necessary and desired arrangements are in place to provide effective leadership in respect of service quality. There is a clear focus on Quality, Quality Improvement and Care Standards within the Executive Team.

(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;

- The Trust's Annual forward plan is subject to appropriate Quality Impact Assessment (QIA) processes. Individual business case decisions are subject to QIA's. Change programmes report against an agreed set of performance metrics relevant to each plan, which allows for monitoring and evaluation through the change process.

(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;

- As noted above this is an area that has been identified for improvement, and will be progressed through
 - Review of existing performance reporting arrangements to achieve 'best in class' standards.
 - The on-going development of the Trusts business intelligence system. This will support a range of improvements in the Trust's current reporting arrangements in respect of data quality standards, timeliness of production and the capacity to provide a comprehensive suite of supporting information relevant to the agenda under review.

(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;

- An established reporting framework ensures that the Board receives monthly performance updates in respect of quality and safety, workforce performance. This framework provides an overview of the Trust's operations.
- Relevant Committees of the Board review in detail through the year key areas such as control of infection, privacy and dignity, safeguarding, training and development, capital expenditure. The

Committees review such matters on a quarterly basis prior to reporting to the Board for assurance purposes.

- The Board has prioritised initiatives to improve how it understands the experience of service users. This development programme (SUEMU) will commence this year and provide an essential addition to the range of information provided to the Board regarding 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

- The Trust has a range of service level forums in place to support service user engagement about the experiences of different services. These forums are used to support on-going dialogue about services to inform and shape improvements, and to gather feedback about potential and proposed changes. Service users actively support and work with the Trust to obtain service user views, inspect services and provide feedback to the management teams and Board as appropriate. Examples of this would be the 15 Steps Challenge.
- The Trust engages with its staff to explore potential changes within services, to seek their views and opinions about service experiences and options for change. The Trust is building and improving its range of methods used to engage with staff as part of its workforce agenda.
- The Board has a programme of service visits which ensures time is spent with front line services, gaining an understanding of service agendas and challenges.
- The Board meets through the year with its Council of Governors.
- There are a range of formal processes in place to provide engagement between the Trust and its key Commissioners on matters relating to quality of care.

(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.

- The Trust has a well-established and clear accountability structure in place for quality of care, and an established performance monitoring and reporting programme in place. Existing escalation processes are under review to ensure they remain fit for purpose going forward.

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.

In confirming this statement, the Board has considered the following:

- The Board is well established and has an effective and broad skill set available to it through its membership to ensure compliance with the conditions of its licence. The necessary skills are then maintained through its on-going Board development programme. Succession planning arrangements are in place in respect of expected turn-over with the Board membership.
- The operational Directorate structures within the Trust provide for strong clinical and managerial leadership and support the Executive Team in ensuring service delivery.
- Resources are in place to support the Board and front line services through

- Strong clinical leadership – through a range of Deputy/ Associate Medical Director positions leading on operational delivery, quality, strategy, researcher and training and Deputy Chief Nurse and Professional lead posts.
- Corporate capacity to support the delivery of current and future plans – this has been further developed through the review of Executive portfolios and capacity has been strengthened in respect of key areas around corporate governance, care standards, partnerships, strategic development.

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.

In confirming this statement, the Board has considered the following:

- The Trust has an established training and development programme in place that ensure the Governors are equipped with the skills and knowledge they need to undertake their role. During the last financial year a joint training event was provided to Governors and the Board of Directors in respect of holding members to account.
- A training event was delivered in July 14, as part of the development programme, delivered in partnership with ‘GovernWell’ and it provided Governors with training and development on the following areas;
 - An awareness of the NHS
 - Governance and the role of governors
 - FT’s and governor responsibilities to members
 - Quality matters
 - Effective questioning and challenge

Further training for new Governors in the above areas will be delivered during 2016-17, again delivered in partnership with ‘GovernWell’. In advance of this training all new Governors have been supported through a comprehensive induction programme and have attended the national ‘GovernWell’ training programme.

Reviewed and considered by the Board : 8th June 2016.