

Meeting Title	Board of Directors		
Date	22 July 2021	Agenda item	Bo.7.21.18

Governance Review - Update

Presented by	John Holden, Director of Strategy & Integration		
Author	Laura Parsons, Associate Director of Corporate Governance/Board Secretary		
Lead Director	John Holden, Director of Strategy & Integration		
Purpose of the paper	The purpose of this paper is to present a proposal in relation to the Regulation & Assurance Committee, and to propose amendments to the Board NRC terms of reference for approval		
Key control	A robust governance structure is relevant to all objectives		
Action required	For approval		
Previously discussed at/ informed by	Executive Team Meeting – 12 July 2021 Regulation & Assurance Committee Meeting – 13 July 2021 Nomination & Remuneration Committee Meeting – 10 June 2021 (NRC terms of reference)		
Previously approved at:	Academy/Group	Date	
	N/A		

Key Options, Issues and Risks

As Board members are aware, the Trust has transitioned to an academy governance model. The current governance structure is attached at Appendix 1 for reference.

Regulation & Assurance Committee

The Regulation & Assurance (R&A) Committee was introduced as an interim measure during 2020, to mitigate the governance risks at a time when we were unable to have regular Board and Committee meetings due to the pressure of the pandemic, and it was subsequently included in the revised governance structure which was approved in October 2020. R&A meets on a bi-monthly basis and reports to the Board. The Terms of Reference are attached at Appendix 2. As we have resumed “normal business” with a full suite of Academies and Board meetings, there has been some confusion in relation to the role of the R&A Committee versus the Board, and there has sometimes been a lack of clarity in relation to which items should be considered at each forum. Some items are required to be presented to the Board by statute/regulation, for example the Annual Fire Safety report, which causes further duplication and confusion. The Committee is also unusual in governance terms as the membership consists of all Board members and it is chaired by the Trust Chair, so it is, in effect, an extension of the Board itself rather than a committee of the Board. We have made a concerted effort to differentiate the two, and consider the added value, but the view of the Executive team is that R&A creates a management burden for limited added value and it would be preferable to revert to using the Board as the cornerstone of our governance model with a clear line of sight to Academies responsible for learning, improvement and assurance.

Therefore, it is proposed that the R&A is disestablished, and that its functions are undertaken by the Board. Should this proposal be approved, it is also recommended that consideration be given to all Academies being chaired by a Non Executive Director, to ensure appropriate independence in line with normal requirements of good governance, and to facilitate the opportunity for NED challenge and support in the Academy discussions.

It has also recently been proposed that the Health, Safety & Resilience (HSR) Committee should report to the R&A Committee instead of the Quality Academy, given that the HSR is regulatory in nature, so there would need to be consideration as to where it would report in future. Subject to the agreement of Board we anticipate these changes could be introduced with effect from the September 2021 cycle of meetings.

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Board Nomination & Remuneration Committee Terms of Reference

The Terms of Reference for the Board's Nomination & Remuneration Committee (NRC) have been reviewed, and have been transferred onto the new template in line with the other committees and academies' terms of reference. It is proposed to add a function to the Board NRC terms of reference in relation to ensuring that regulation 5 of the Health and Social Care Act 2008 [Regulated Activities] Regulations 2014 (relating to Fit and Proper Persons) is complied with in respect of any new or continued appointment. The NRC has agreed to recommend the updated terms of reference to the Board for approval. The proposed amendments are shown at Appendix 3.

Recommendation

The Board is asked to:

- **consider** and **approve** the proposal to disestablish the Regulation & Assurance Committee, and **consider** the recommendation that academies should be chaired by a Non Executive Director; and
- **approve** the proposed amendments to the Board Nomination & Remuneration Committee Terms of Reference.

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Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients			g			
To deliver our financial plan and key performance targets			g			
To be in the top 20% of NHS employers					g	
To be a continually learning organisation				g		
To collaborate effectively with local and regional partners					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors Agreed General risk appetite (G)	N/A					

Benchmarking implications (see section 4 for details)	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk Implications (see section 5 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal/regulatory implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Diversity and Inclusion implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>

R&A, Legislation and Compliance relevance
NHS Improvement: (please tick those that are relevant) <input type="checkbox"/> Risk Assessment Framework <input checked="" type="checkbox"/> Quality Governance Framework <input checked="" type="checkbox"/> Code of Governance <input checked="" type="checkbox"/> Annual Reporting Manual
Care Quality Commission Domain: Well Led
Care Quality Commission Fundamental Standard: Good Governance
NHS Improvement Effective Use of Resources: Corporate Services, Procurement, Estates & Facilities
Other (please state):

Relevance to other Board of Director's academies: (please select all that apply)			
People	Quality	Finance & Performance	Other (please state)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>