

## Board Development

Author: John MacDonald, Trust Chair

Trust Board paper H

### Purpose of report:

This paper is for:	Description	Select (X)
Decision	To formally receive a report and approve its recommendations OR a particular course of action	X
Discussion	To discuss, in depth, a report noting its implications without formally approving a recommendation or action	X
Assurance	To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan	
Noting	For noting without the need for discussion	

### Previous consideration:

Meeting	Date	Please clarify the purpose of the paper to that meeting using the categories above
CMG Board (specify which CMG)	N/A	
Executive Board	N/A	
Trust Board Committee	N/A	
Trust Board	6.5.21	Discussion

## Executive Summary

Over the last month, I have held a series of discussions with Non-Executive Directors and Executive Directors on the subject of Board development. In parallel, I have also discussed our planned Board Development Programme with colleagues at Deloitte.

I have refined my initial thoughts and identified a series of improvements and adjustments to our existing Board governance arrangements which are described in the attached report.

## Questions

1. Does the Trust Board support the direction of travel set out in the attached report?
2. Does the Trust Board support the revised Board Development Programme set out in the attached report?
3. Does the Trust Board agree to receive a further paper at its next meeting on 1<sup>st</sup> July 2021:
  - (a) setting out the proposed Chairmanship and membership of the revised Board Committee structure (to be implemented with effect from July 2021), with proposed formal terms of reference for each of the Board Committees to be submitted to the Trust Board in September 2021 for ratification/adoption?
  - (b) setting out a revised Board meeting timetable for the remainder of 2021/22?

## **Input Sought**

Subject to discussions and approval at today's Board meeting, the proposal set out in this paper will form the basis of revised Trust Board governance arrangements, with a further report to be submitted to the next Board meeting on 1<sup>st</sup> July 2021.

***For Reference:***

**This report relates to the following UHL quality and supporting priorities:**

**1. Quality priorities**

Safe, surgery and procedures	[Yes]
Improved Cancer pathways	[Yes]
Streamlined emergency care	[Yes]
Better care pathways	[Yes]
Ward accreditation	[Yes]

**2. Supporting priorities:**

People strategy implementation	[Yes]
Investment in sustainable Estate and reconfiguration	[Yes]
e-Hospital	[Yes]
Embedded research, training and education	[Yes]
Embed innovation in recovery and renewal	[Yes]
Sustainable finances	[Yes]

**3. Equality Impact Assessment and Patient and Public Involvement considerations:**

- What was the outcome of your Equality Impact Assessment (EIA)? N/A
- Briefly describe the Patient and Public Involvement (PPI) activities undertaken in relation to this report, or confirm that none were required – N/A
- How did the outcome of the EIA influence your Patient and Public Involvement ? N/A
- If an EIA was not carried out, what was the rationale for this decision? On the basis that this is a monthly update report - N/A

**4. Risk and Assurance****Risk Reference:**

Does this paper reference a risk event?	Select (X)	Risk Description:
<b>Strategic:</b> Does this link to a <b>Principal Risk</b> on the BAF?		
<b>Organisational:</b> Does this link to an <b>Operational/Corporate Risk</b> on Datix Register		
<b>New Risk</b> identified in paper: What <b>type</b> and <b>description</b> ?		
<b>None</b>	X	

5. Scheduled date for the **next paper** on this topic: July 2021 Trust Board
6. Executive Summaries should not exceed **5 sides** [My paper does comply]

# **UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT TO: TRUST BOARD**

**DATE: 3 JUNE 2021**

**REPORT BY: TRUST CHAIR**

**SUBJECT: BOARD DEVELOPMENT**

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## **1. Introduction**

This paper sets out proposals to strengthen the Board in discharging its responsibilities and reflects discussions with Executive and Non-Executive Directors. The proposals include initial recommendations as well as a Board Development Programme supported by Deloitte<sup>1</sup>. The later work was developed following interviews by Deloitte with Board members during February and March 2021 and a Board workshop in April.

There are a number of principles and considerable guidance that has been developed over the years on effective Boards<sup>2</sup>. These principles and recognised best practice have been fundamental in developing the programme. In addition to the guidance, a number of key issues came out as being particularly important in light of recent events. These include:

- A unitary Board. Part of the legacy of the financial issues that emerged and Covid is that there is a feeling that this needs to be strengthened and the way the Board works streamlined to reduce duplication and overlap between committees and the Board (and between the Board committees and executive committees).
- Adding value and 'agility' of governance and decision making. The lessons learnt from dealing with Covid have highlighted how important effective and agile governance is in enabling front line staff to provide effective and quality care, to respond to the needs of patients and carers, and to work in partnership with other health and care organisations.
- Board to Ward and in particular the need for greater engagement with clinicians and front line staff as part of the Board's work.
- Uncertainty about what an ICS means for the way the Board operates and its authority.
- Ensuring that Board members have the time to discharge their responsibilities whilst reducing duplication and bureaucracy<sup>3</sup>, avoiding the treadmill of meetings and writing papers and discussing the future of services in less formal settings.

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<sup>1</sup> Board Development Programme, Deloitte LLP, 21<sup>st</sup> May 2021

<sup>2</sup> Effective Boards in the NHS, NHS Confederation

The Healthy NHS Board: Principles of Good Governance, National Leadership Council

<sup>3</sup> Empowering Frontline Staff by Reducing Excess Bureaucracy in the Health and Care System in the NHS, Department of Health November 2020.

## 2. The Board

The purpose of NHS boards is to govern effectively and in doing so to build public and stakeholder confidence that their health and healthcare is in safe hands. Effective NHS boards demonstrate leadership by undertaking three key roles:

- Formulating strategy for the organisation.
- Ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable.
- Shaping a positive culture for the board and the organisation.

To ensure that it effectively discharges these responsibilities a programme of Board workshops will be run led by Deloitte. These are detailed in Section 5 and will cover topics such as traits of a high performing board, effective scrutiny and operating as a unitary board and these will be a theme throughout the programme; organisational, finance and quality governance; integrated care systems governance; and Board to Ward including engagement of Board with clinicians.

Currently the Board meets monthly in both public and private. This is not the case in all trusts and experience is that effective governance and openness and transparency are not undermined by less frequent meetings. Indeed by making more time available for Board members to meet staff and patients and increase the visibility of the Board, the effectiveness of the Board can be improved. It is proposed that the Board meets quarterly plus meetings for specific reasons outside of this. These would include agreeing strategic and annual plans, approving annual report and accounts and the quality account, the AGM and at other key points in the annual cycle. There would be at least seven meetings in public a year. In order to ensure transparency and openness:

- A monthly performance report will be published on the Trust's website.
- Reports from Board committee meetings will be published on the Trust's website within two weeks of any meetings.
- A strategy for community engagement will be developed and published in the autumn.

The Trust faces a number of challenges including restoring services following the impact of the Covid-19 pandemic, developing and implementing a financial recovery plan, moving to a new way of working within the Leicestershire, Leicester and Rutland integrated care system, and a major transformation and reconfiguration programme. The recruitment of a substantive Chief Executive is underway and an appointment will be made by the end of June. In addition there are a number of retirements over the next six months including the Director of Corporate and Legal Affairs (summer) and the Chief Financial Officer (autumn).

In light of the challenges facing the Trust and the need to ensure that the Board reflects the population it serves, the Chair will carry out a skills and diversity assessment regarding the Non-Executive level.

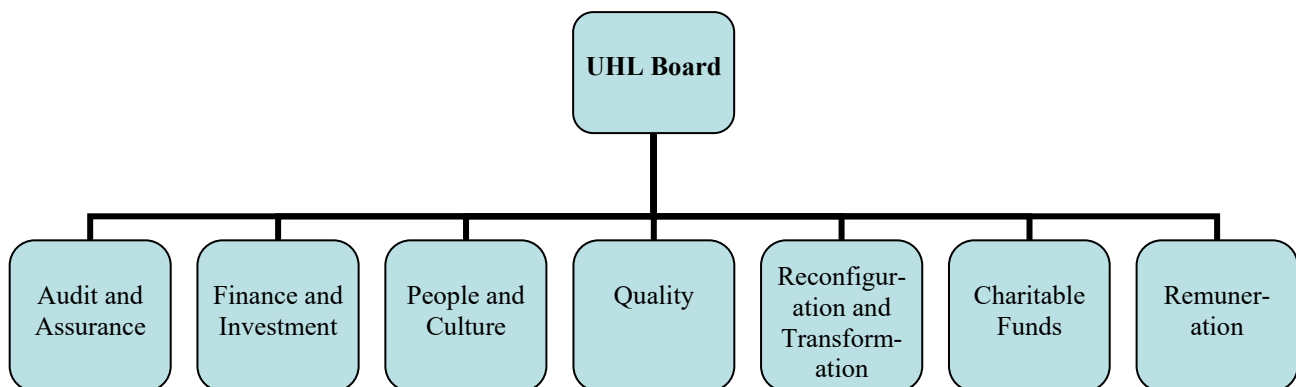
Finally, an annual programme of work will be developed and a review of the effectiveness of the Board will be carried out annually.

### 3. Board Committees

Board Committees are the 'engine' rooms of the Board where much of the detailed scrutiny and assurance is done. At the same time the relationship between the committees and the Board must ensure that the Board operates as a unitary Board through reports to Board and escalating issues to Board where appropriate. Secondly the relationship between committees is critical if the interaction between the work of the committees ensures that issues do not slip between committees or interaction between the agenda of committees are ignored. Thirdly the Public must be provided with reports on the work of the committees to ensure transparency and openness.

It is proposed that the committees be changed as follows and the committee structure is shown below:

- A People and Culture Committee will be established, reflecting the importance of workforce, staff development and staff welfare.
- A Reconfiguration and Transformation Committee will be established and the Reconfiguration Trust Board stood down.
- The, People, Process and Performance Committee (PPPC) stood down.



There are a number of important aspects of these changes. In particular:

- Relationship of committees with the Board: Committee Chairs will continue to present a summary of the committee's deliberations to the Board detailing why items were considered, the key discussion points, conclusions and decisions, and any outstanding issues including risks. The report will also detail any issues to be escalated to the Board. Minutes of committee meeting will be published on the Trust's website and not presented at the Board.
- The Board will assume responsibility for scrutiny of the performance of the Trust. An integrated performance report will be presented and discussed at the Public Board (this report is currently presented to the People, Process and Performance Committee and Quality Outcomes Committee). The report will include an overview from the Chief Executive and subsequent sections will cover Quality, Performance including Constitutional Standards, People and Finance. Committees will continue to scrutinise performance within their remit and the chairs of the Quality, Finance and Investment and People and Culture committees will be invited to make any comments on performance following the presentation of each section so as to avoid duplication later in the meeting. Performance of the Clinical Management Teams will be the responsibility of the Chief Executive and their team. However committees will be provided with summary information on the performance of CMGs and, where

there are material and ongoing concerns, the committee chair will have the authority to invite the CMG team to the committee.

- The Trust is developing and will implement a Financial Recovery Plan (FRP) to address the financial challenges facing UHL. This will be developed within the overall strategy of the Leicester, Leicestershire and Rutland Integrated Care System and will require the support and engagement of the partners across the ICS. Whilst the UHL Board will be accountable for delivery of the FRP, the Trust will engage with the ICS to ensure that there is openness and appropriate scrutiny within the wider system.
- The scope of the Reconfiguration and Transformation Committee will be extended to formally include service transformation. There will be two SROs – one for estates and one for Transformation to emphasise the importance of service transformation. A bi annual report will be presented to the Board demonstrating outcomes of the transformation programme.
- Oversight of the capital programme will be the responsibility of the Finance and Investment Committee. Responsibility for oversight of the estate and facilities management will be the responsibility of the Reconfiguration and Transformation Committee and the Quality Committee respectively.
- Risk Management: Work is advanced on reviewing the Trust's identification and management of risk. This will be reviewed in light of the proposals in this paper and the role of committees and the Board clearly defined.
- Equality and Diversity will be a main Board responsibility and will cover ethnic, gender and disability for both patients and carers and staff and volunteers.
- Lead Non-Executives will be identified for critical enabling functions including IM & T and communications. It is not expected that the lead Non-Executive will be involved in executive meetings but will instead provide a 'light touch' assurance to the Board and an advisory role to the lead Executive(s).

The committees will start meeting from July. Committee Chairs and lead Executive(s) will bring proposals to the Board by September. An annual review of the effectiveness of committees will be conducted.

#### **4. Working within an Integrated Care System**

The establishment of Integrated Care Systems (ICS) as statutory organisations from April 2020 and the emphasis on collaboration and partnership provides the Trust with opportunities to work with partners to deliver integrated health and care services and to support the delivery of the Health and Wellbeing Boards' strategies to reduce health inequalities, improve the health of the population, address determinants of poor health as well as the local authorities wider socio-economic strategies as an 'anchor institution'.

The Board will work closely with partners across the Leicester, Leicestershire and Rutland ICS as the ICS is established and to more actively involve partners and communities in the way the Board and its committees work. Specifically committee chairs will review the engagement with partners to ensure openness and transparency with partners and to avoid duplication across the system.

#### **5. Board Development Programme**

The development programme including Board development sessions and group/individual sessions are detailed overleaf.

Activity	Description	Impact of discussion paper/changes from 8 April 2021	Indicative timing
	<i>Agree overall programme activities and timeline.</i>	N/A	10 June 2021
1	Traits of a high performing board, effective scrutiny, operating as a unitary board.	<ul style="list-style-type: none"> <li>• Key activity covering multiple areas of the discussion paper.</li> <li>• Expand scope of session to specifically capture senior clinician/senior leader engagement and gathering of 'soft intelligence'.</li> <li>• Combine risk management within this session rather than having a specific risk development session.</li> </ul>	July 2021
2	Good practice in financial governance.	<ul style="list-style-type: none"> <li>• Not covered specifically in paper but core part of scope required by NHSEI.</li> <li>• Combine reflections on recent experience and session on financial planning and monitoring (co-designed with the finance team) into a single development session.</li> </ul>	September 2021
3	Knowing how people work – Business Chemistry.	<ul style="list-style-type: none"> <li>• No change – linked to building trust, relations and operating as a unitary board.</li> </ul>	October 2021
4	Organisational governance and board line of sight.	<ul style="list-style-type: none"> <li>• More explicitly consider the use of integrated performance reporting in the context of information flows (this will be covered as part of our executive level governance work).</li> </ul>	November 2021
5	Integrated Care System governance and engagement.	<ul style="list-style-type: none"> <li>• Material area that features prominently in the discussion paper.</li> <li>• Session originally run on 10 March 2021 but potential for a more detailed development session looking at governance arrangements and opportunities for wider system engagement.</li> </ul>	December 2021



6	Effective functioning of board committees for committee chairs - focused observations and facilitated feedback sessions with respective committee chair and relevant Executive Director.	<ul style="list-style-type: none"> <li>• Expand this activity to focus specifically on practical ways of streamlining ways of working across committees and with the Board.</li> <li>• Capture senior clinical engagement and CMG engagement as part of the observations.</li> <li>• Link with the executive level governance review work and IPR benchmarking.</li> </ul>	Ongoing from September to December 2021
7	Executive team development – taking stock of what has gone well and preparing for the future.	<ul style="list-style-type: none"> <li>• Dependent on timing of substantive CEO appointment.</li> </ul>	September 2021
8	Completion of peer surveys by individual members – followed by Individual feedback based on peer surveys and our observations.	<ul style="list-style-type: none"> <li>• Critical component to increase awareness and drive improvements in overall effectiveness.</li> </ul>	Issue peer survey in July 2021 - Feedback in September 2021

Activity	Month / Year						
	Jun 2021	Jul 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021
Agree overall programme activities and timeline	★ 10 June						
<b>Board development sessions</b>							
1. Traits of a high performing board, effective scrutiny, operating as a unitary board							
2. Good practice in financial governance.							
3. Knowing how people work – Business Chemistry							
4. Organisational governance and board line of sight							
5. Integrated Care System governance and engagement							
<b>Group / individual development sessions</b>							
6. Effective functioning of board committees for committee chairs - focused observations and facilitated feedback sessions with respective							
7. Executive team development – taking stock of what has gone well and preparing for the future							
8. Completion of peer surveys by individual members – followed by Individual feedback based on peer surveys and our observations							

Continual feedback and review with the Programme Sponsor on a weekly basis