

**NORTHUMBERLAND TYNE AND WEAR NHS FOUNDATION TRUST**

**BOARD OF DIRECTORS**

**Meeting Date:** 28 January 2015

**Title and Author of Paper:**

Update on Well Led Framework for Governance Reviews

Lisa Quinn, Executive Director of Performance & Assurance

**Paper for Debate, Decision or Information:** Information

**Key Points to Note:**

- The Board of Directors have previously reviewed Monitor's guidance regarding the need for an external review of governance every three years, the lessons learnt from Monitor's three pilot sites and having regard to this agreed in October 2014 a proposed approach and timetable for the NTW review. The Board of Directors received a subsequent progress report in November 2014.
- This paper provides an update on the work carried out in terms of the draft initial desk top self assessment, the Emerging Actions highlighted through this work/Action Plan and an outline of a specification of work which, it is proposed, would form the basis of a tender relating to the appointment of independent external reviewers.
- The Board of Directors is asked to note the progress made, to date, and approve the development of a full specification of work and the progression of a tender process relating to the appointment of independent external reviewers.

**Outcome required:** To note the progress made, to date, and approve the development of a full specification of work and the progression of a tender process relating to the appointment of independent external reviewers.

## Update on Well Led Framework for Governance Reviews

### 1. Background

In July 2014 the Board of Directors reviewed Monitor's Guidance: Well-led framework for governance reviews: guidance for NHS foundation trusts (May 2014), including the need for an external review of the Trust's governance **every three** years. The framework also sets out what the focus of the review should be and suggested review activities and outputs. Following discussion, the Board delegated authority to the Director of Performance and Assurance to organise and to agree the timing of the governance review with the Chair, Chief Executive and Executive Directors, but the timing should be in the next 12 months.

In October 2014 the Board of Directors reviewed the lessons learnt from the 3 foundation trusts who piloted a governance review to inform the Monitor's guidance in January-February 2014 and in the light of these agreed a proposed approach with regard to the timing and arrangements for this Trust's governance review. The Board of Directors received a subsequent progress report in November 2014.

This paper provides an update on the work carried out in terms of the draft initial desk top self assessment, the Emerging Actions highlighted through this work/Action Plan and an outline of a specification of work which, it is proposed, would form the basis of a tender relating to the appointment of independent external reviewers.

### 2. The draft initial desk top self assessment

Monitor's Guidance: Well-led framework for governance reviews: guidance for NHS foundation trusts (May 2014) includes a series of questions and examples of good practice against the four domains of Strategy and Planning, Capability and Culture, Process and Structure and Measurement to support a self assessment by the Board of Directors.

To support the Board of Directors with their self assessment a draft initial desk top assessment has been completed with evidence provided from a variety of sources, including papers from the Board and its sub committees, relating to each of the questions under the four domains. The source of the documentary evidence used has been noted and this is being brought together into an electronic library.

### 3. The identification of Emerging Actions/Action Plan

In the course of completing the initial desk top self assessment areas of improvement/Emerging Actions have been identified in terms of some of the specific questions. The Executive Directors have reviewed these and an Emerging Actions/Action Plan has been agreed. The Action Plan includes designated leads and timescales for completion of the individual actions. Delivery of the Action Plan is being monitored through the weekly Executive Directors meeting.

Some of the questions need to be specifically addressed by the Board of Directors and Board Away Day/Time Out Sessions are being planned to focus on this work.

#### **4. Liaison with the Council of Governors**

As highlighted in the pilots the Council of Governors involvement in the governance review process is important. Some of the questions in the self assessment are specifically addressed to the Council of Governors, for example their views on the extent to which Board members spend time developing the relationship with the Governors is required. A meeting has been held with Richard Tomlin, Lead Governor, to update him on the progress made to date on the initial desk top self assessment and the specific questions which need to be addressed by the Council of Governors. Richard is to take this work forward with the Council of Governors over the next couple of months.

#### **5. The Board review of the draft initial desk top self assessment**

The Board review of the draft initial desk top self assessment and discussion regarding the RAG ratings is to be the subject of a Board Away Day/Time Out Session.

#### **6. Outline specification for the appointment of External Reviewers**

To gain maximum benefits and assurance from the reviews, Monitor consider that **independent reviewers** should be used to ensure objectivity. Generally, Monitor considers reviewers should not have carried out audit or governance related work for the Trust during the previous three years. While the ultimate choice of reviewer is up to the Board, review teams should be multi skilled and bring different disciplines to the work including:

- Experience of evaluating board leadership and governance arrangements;
- Knowledge of the healthcare sector and
- Specialist expertise, specifically clinical, leadership experience (including culture and board development) and management information systems.

The review is to be commissioned by the Trust for the Trust.

The Guidance suggests that the following diagnostic tools and methods could be used in carrying out the review:

- Desk top document review;
- One to one interviews;
- Stakeholder Surveys;
- Focus groups with internal and external stakeholders;
- Board and sub committee observations;
- Board skills inventory;
- Board self assessment;
- Peer practices.

Monitor estimate that Governance Reviews will take approximately 30 to 35 days, with a team of three people, it has been suggested that the cost of a review could range between £60K to £80K. Monitor have indicated that they have no plans to develop a list of accredited independent reviewers. The responsibility for appointment of the independent reviewers therefore rests with individual foundation trusts.

Having regard to Monitor guidance and the lessons learnt from the pilots an outline of a draft specification for the appointment of the Trust's External Reviewers is shown in Appendix 1 which it is suggested should form the basis of a **full specification of work** and the progression of a tender process relating to the appointment of independent external reviewers to conduct the Trust's governance review.

In terms of the appointment of the Trust's External Reviewers the Trust will follow its robust procurement processes in line with the Trust's Policies and Procedures.

## **7. Recommendation**

It is recommended that the Board of Directors:

- Note the progress made with regard to the draft initial desk top self assessment and the Emerging Actions/Action Plan agreed by the Executive Directors;
- Note the process for the Board review of the draft initial desk top self assessment /agreement on RAG ratings;
- Agree to the development of a full specification of work and the progression of a tender process relating to the appointment of external independent reviewers, based on the draft outline specification in Appendix 1.

**Lisa Quinn**  
**Executive Director Performance and Assurance**  
**January 2015**

## Appendix 1

# Governance Review-External Review Outline Specification (Draft)

## 1. Scope and purpose

The External Review Team will undertake an independent review of Northumberland Tyne and Wear NHS Foundation Trust's governance arrangements in line with the Monitor "Well-led Framework. This work will include:

- A review of the Trust's governance arrangements against the four domains (Strategy and Planning, Capability and Culture, Process and Structure and Measurement) of the Well-led Framework and make an assessment of the Trust's RAG rating in respect of the four domains, with reference to the Trust's self assessment;
- The identification of /recommendations relating to areas of improvement to strengthen the Trust's governance arrangements;
- The identification of areas of good practice;
- The presentation of the findings to the Board of Directors, including a summary written report, following completion of the independent review.

## 2. Diagnostic Work

### 2.1 Desk top review of the Trust's self assessment

The Trust will provide the Trust's self assessment against the four domains (Strategy and Planning, Capability and Culture, Process and Structure and Measurement) of the Well-led Framework together with access to the library of key supporting evidence/documentation.

The External Review Team will undertake a desk top review of the Trust's self assessment.

### 2.2 Interviews with the Board of Directors

The External Review Team will undertake 1.5 hour non attributable interviews with each member of the Board of Directors (Executive Directors and Non Executive Directors (which includes the Chairs of the Trust's Standing Committees)) to ascertain their perspective on the effectiveness of the Board and its governance arrangements.

### 2.3 Interviews with non Board members

The External Review Team will undertake 1.5 hour non attributable interviews with non Board members but who are able to comment on the effectiveness of the governance arrangements throughout the Trust. These will include:

- The 3 Group Trustees;
- Board Secretary;
- Deputy Director of Partnerships;
- Head of Internal Audit;
- Deputy Director of Clinical Governance and Performance;
- Director of Informatics;
- Programme Director (Transformation);

- Clinical Director of AHPs;
- Clinical Director of Psychological Services;
- Trust Chief Pharmacist;
- Head of Communications;
- Lead Governor.

#### **2.4 Observation of Board of Directors Meeting**

The External Review Team will observe one meeting of the Board of Directors (public and closed) to assess the level of robustness of challenge and scrutiny, the conduct of Board meetings and the dynamic between Executive and Non Executive Board members.

#### **2.5 Observation of the Board's Standing Committees**

The External Review Team will observe one meeting of each of the Board Standing Committees to determine the effectiveness of challenge and debate, reporting to the Board, and the extent to which the Committee complies with their Terms of Reference. The Board's Standing Committees include:

- The Audit Committee;
- Remuneration Committee;
- Mental Health Legislation Committee;
- Quality and Performance Committee;
- Finance Infrastructure and Business Development Committee.

#### **2.6 Observation of other key meetings**

The External Review Team will observe one meeting of the following:

- Executive Directors;
- Corporate Decisions Team;
- Council of Governors;
- Group Operational Management Group;
- Group Quality and Performance Group.

#### **2.7 Views of external stakeholders**

The External Review Team will undertake a survey of relevant external stakeholders to ascertain their perceptions of the Board's effectiveness and their perceptions of the organisation as a whole.

The External Review Team will undertake 1.5 hour non attributable interviews with the following:

- A representative from 3 CCGs;
- A representative from 3 Local Authorities

#### **2.8 Focus Groups with staff**

Using the Trust's "Speak Easy" format the External Review Team will facilitate one staff focus group at each of the Trust's main sites to seek a broader insight into the effectiveness of the Trust's governance arrangements within the organisation, including for example: risk management arrangements, clarity of accountability and performance management arrangements; clarity of roles and responsibilities and the flow of information within the Trust including awareness of escalation routes.

### **2.9 Focus Group with service users**

The External Review Team will facilitate a service user focus group to ascertain their perceptions of the Board's effectiveness and their perceptions of the organisation as a whole.

### **2.10 Focus Group with Council of Governors**

The External Review Team will facilitate a focus group with representatives from the Council of Governors to understand their perceptions of the effectiveness of the governance arrangements and the quality of the Board's engagement with the Council of Governors.

### **2.11 Board Skills Matrix**

The External Review Team will review the existing Board of Director Skills Matrix.

## **3. Feedback and reporting**

### **3.1 Bi-Weekly "touch down meetings"**

The Trust's External Review Co-ordinator will be available for bi-weekly "touch down meetings" with the External Review Team to answer any queries, provide any information required by the Team not previously provided, resolve any practical issues and support the Team's forward planning.

Any significant concerns raised by the Team with regard to their interim findings/feedback they receive in the course of their review will be reported immediately to the Director of Performance and Assurance.

### **3.2 Feedback to the Board**

The External Review Team will, upon completion of the review:

- Feedback emerging themes to the Chief Executive, Director of Performance and Assurance, Chair and the Trust's External Review Co-ordinator;
- Provide a draft written report detailing the outcome of the review. This will be reviewed by the Trust for points of accuracy;
- Provide a final written report detailing the outcome of the review;
- Design and present to the Board of Directors a presentation relating to the findings.

Lisa Quinn

**Executive Director of Performance & Assurance**