

**BOARD MEETING**

**30 June 2016**

Paper Title:	Annual Plan Statements
Section:	Public
Lead Director:	Paul Hogg, Trust Secretary
Paper Author:	Paul Hogg, Trust Secretary
Presented For:	Approval
Agenda Item:	17

**1. Purpose of this Report:**

To approve the remaining Annual Plan statements which are required by NHS Improvement as part of the Annual Planning process.

**2. Summary of Key Points**

This paper addresses the three final declarations which are due to be submitted by 30 June 2016:

- Corporate Governance Statement – in accordance with the Risk Assessment Framework;
- Certification on AHSCs and governance – in accordance with Appendix E of the Risk Assessment Framework; and
- Certification on training of Governors – in accordance with s151(5) of the Health and Social Care Act.

**3. Financial Implications**

None.

**4. Legal Implications**

Compliance with the Trust's terms of authorisation as a Foundation Trust.

**5. Previous Meetings/Committees Where the Report Has Been Considered:**

*Highlight whether the paper has been discussed at any of the following meetings by placing a tick in the relevant box(es):*

Audit Committee	<input type="checkbox"/>	Quality & Safety Committee	<input type="checkbox"/>	Remuneration Committee	<input type="checkbox"/>	Finance, Business & Investment Committee	<input type="checkbox"/>
Executive Management	<input checked="" type="checkbox"/>	Directors Meeting	<input type="checkbox"/>	Chair of Committee's	<input type="checkbox"/>	MH Legislation	<input type="checkbox"/>

team

Meeting

Committee

## **6. Links to Strategic Drivers**

The Trust's declarations are relevant to all four Strategic Drivers.

## **7. Publication Under Freedom of Information Act**

This paper has been made available under the Freedom of Information Act.

## **8. Recommendations:**

That the Board:

- Consider the evidence provided in the paper and at Appendix 1; and
- Approve the attached statement to be submitted to NHS Improvement as shown at Appendix 2.

## Annual Plan Statements

### Introduction

1. As part of the Annual Planning process the Trust is required to make a number of declarations to NHS Improvement. The first declaration, relating to '*systems for compliance with licence conditions – in accordance with General Condition 6 of the NHS Provider Licence*' was approved by the Board at its May meeting.
2. The second set of declarations, to be submitted to NHS Improvement by 30 June 2016, relate to three areas:
  - Corporate Governance Statement – in accordance with the Risk Assessment Framework;
  - Certification of AHSCs and governance – in accordance with Appendix E of the Risk Assessment Framework; and
  - Certification on training of Governors – in accordance with s151(5) of the Health and Social Care Act.

### Report detail

#### Corporate Governance Statement

3. The paper provides assurance around the robust levels of corporate governance operating across the Trust, which have been recorded in this year's Annual Report and Accounts, Quality Report and Annual Governance Statement. There are six statement areas that are covered in Appendix 1, for consideration by the Board.

#### Certification of AHSCs and governance

4. The Trust is not part of a major Joint Venture or an Academic Health Science Centre, so this declaration is not applicable.

#### Certification on training of Governors

5. During 2015/16, the Trust provided Governors with two formal in-house induction sessions to understand their statutory roles. Later in the year the Trust arranged for Governors to undertake accredited training from the NHS Providers' *GovernWell* programme. Both induction programmes received very positive feedback. In addition, bite size training has been provided in response to Governor requests and this year presentations have included topics on the role of internal and external auditors, quality accounts, the annual planning process and risk management.

6. The Council of Governors have, over the last year, been involved in a great deal of work in support of their statutory role. This has included:

- Receiving the 2014/15 Annual Report and Accounts
- Receiving and contributing to the Annual Plan for 2015/16
- Review of the Trust's operational performance through the integrated dashboard submitted to full Council of Governors' meetings
- Approving the appointment of Dr Zulfi Hussan as a new Non-Executive Director, with the Governors' Nominations Committee involved throughout the process for recruitment, interview and selection

- Approving new remuneration levels for the Chair and Non-Executive Directors, through the Governors' Remuneration Committee
- Approval of the Trust's FT Membership Strategy, which was developed through the Governors' Membership Development Committee
- Involvement in 15 Steps Challenge and PLACE visits
- Establishment of a working group to oversee the Quality Report for 2015/16
- Lead Governor attendance at the NHS Providers' Governors Conference
- Regular meetings between Staff Governors and the Chair/Chief Executive
- Regular meetings between the Lead Governor and the Chair
- Receipt of the *Governor Friday Folder*, a weekly update on Trust activities from the Chair/Chief Executive

7. Appendix 1 provides a commentary/evidence in support of the governance statements for consideration by the Board. Appendix 2 shows the Board declaration that will be submitted to NHS Improvement, subject to the Board's discussion.

### **Recommendations**

8. That the Board:

- Consider the evidence provided in the paper and at Appendix 1; and
- Approve the attached statement to be submitted to NHS Improvement as shown at Appendix 2.

**Commentary/evidence in support of the Governance Statements**

4	<b>Corporate Governance Statement</b>	<b>Response</b>	<b>Risks and mitigating actions</b>
1	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.	Confirmed.	Ongoing review of corporate governance, including guidance issued by NHS Improvement. Annual review of the Code of Governance including a statement in the Annual Report and Annual Governance Statement. Internal Well-led Review scheduled for September 2016.
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time.	Confirmed.	The Trust has commissioned one externally led governance review - on the effectiveness of its Quality and Safety Committee from the then Chief Executive of Tees, Esk and Wear Valleys NHS Foundation Trust. The report concluded that the Committee had a strong focus on assurance with several examples of excellent practice.
3	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.	Confirmed.	The Board and Committee structures are regularly reviewed by the Chair. There is an annual review by each Committee of its terms of reference and an annual report is submitted to Trust Board. An action plan will be developed to address any issues raised within the forthcoming internal Well-led Review.
4	The Board is satisfied that the Trust effectively implements systems and/or processes:  (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; (b) For timely and effective scrutiny and oversight by the	Confirmed.	The Board has a range of measures to support this statement through Board and Committee meetings and regular performance meetings with Business Units attended by Executive Directors and chaired by the Chief Executive. Key reports that are regularly received include:

	<p>Board of the Licensee's operations;</p> <p>(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;</p> <p>(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);</p> <p>(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;</p> <p>(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;</p> <p>(g) To generate and NHS Improvement 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</p> <p>(h) To ensure compliance with all applicable legal requirements.</p>		<ul style="list-style-type: none"> <li>• Integrated performance report and exception reports</li> <li>• Corporate Risk Register</li> <li>• Board Assurance Framework</li> <li>• Committee performance dashboards</li> <li>• Change Programme Board reports</li> </ul>
5	<p>The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:</p> <p>(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;</p> <p>(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;</p> <p>(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;</p>	Confirmed.	<p>Quality is the key driver for the Board of Directors and it receives regular information about the quality of services through Board and Committee meetings. The Quality and Safety Committee and Mental Health Legislation Committee advise the Board on any quality issues that require escalation. Board members supplement this by regular quality and safety walkabouts and other visits to services. The Board has approved a new set of quality goals for 2016/17 as part of the annual Quality Report.</p>

	<p>(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(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</p> <p>(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.</p>		
6	<p>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.</p>	Confirmed.	<p>The Board has a Workforce Strategy and annual workforce plan in place. Ongoing appraisals and professional revalidation processes are in place as well as a broad range of mandatory, statutory, vocational and professional training provided both in-house and via other organisations. The Chief Executive has announced he is to retire at the end of August 2016. Interim arrangements are in place for the Deputy Chief Executive to assume this role whilst a full recruitment and selection process is undertaken.</p>

Certification on AHSCs and governance	Response
<p>For NHS foundation trusts:</p> <ul style="list-style-type: none"> <li>• that are part of a major Joint Venture or Academic Health Science Centre (AHSC); or</li> <li>• whose Boards are considering entering into either a major Joint Venture or an AHSC.</li> </ul>	<p>The Trust is not part of a major Joint Venture or an Academic Health Science Centre, so this declaration is not applicable.</p>
<p>The Board is satisfied it has or continues to:</p> <ul style="list-style-type: none"> <li>• ensure that the partnership will not inhibit the trust from remaining at all times compliant with the conditions of its licence;</li> </ul>	

<ul style="list-style-type: none"> <li>• have appropriate governance structures in place to maintain the decision making autonomy of the trust;</li> <li>• conduct an appropriate level of due diligence relating to the partners when required;</li> <li>• consider implications of the partnership on the trust's financial risk rating having taken full account of any contingent liabilities arising and reasonable downside sensitivities;</li> <li>• consider implications of the partnership on the trust's governance processes;</li> <li>• conduct appropriate inquiry about the nature of services provided by the partnership, especially clinical, research and education services, and consider reputational risk;</li> <li>• comply with any consultation requirements;</li> <li>• have in place the organisational and management capacity to deliver the benefits of the partnership;</li> <li>• involve senior clinicians at appropriate levels in the decision-making process and receive assurance from them that there are no material concerns in relation to the partnership, including consideration of any re-configuration of clinical, research or education services;</li> <li>• address any relevant legal and regulatory issues (including any relevant to staff, intellectual property and compliance of the partners with their own regulatory and legal framework);</li> <li>• ensure appropriate commercial risks are reviewed;</li> <li>• maintain the register of interests and no residual material conflicts identified;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>• engage the governors of the trust in the development of plans and give them an opportunity to express a view on these plans.</li> </ul>	
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<b>6</b>	<b>Training of Governors</b>	<b>Response</b>
	<p>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.</p>	<p>Confirmed. See information within Board paper itself.</p>

## Annual Plan Declarations 4, 5 and 6 required by NHS Improvement



## Self-Certification Template

FT Name:

NHS Foundation Trusts are required to make the following declarations to NHS Improvement:

- 1 & 2 *Systems for compliance with licence conditions - in accordance with General condition 6 of the NHS provider licence*
- 3 *Availability of resources and accompanying statement - in accordance with Continuity of Services condition 7 of the NHS provider licence*
- 4 *Corporate Governance Statement - in accordance with the Risk Assessment Framework*
- 5 *Certification on AHSCs and governance - in accordance with Appendix E of the Risk Assessment Framework*
- 6 *Certification on training of Governors - in accordance with s151(5) of the Health and Social Care Act*

Declarations 1 and 2 above are set out in a separate template, which is required to be returned to NHS Improvement by 31 May 2016

Declaration 3 is included in the APR 2015/16 Final Financial Template, which is required to be returned to NHS Improvement per communications on final operational plan submissions.

Declarations 4, 5 and 6 above are set out in this template, which is required to be returned to NHS Improvement by 30 June 2016.

Templates should be returned via the Trust portal, marked as a Trust Return with the activity type set to Annual Plan Review.

### How to use this template

- 1) Copy this file to your Local Network or Computer.
- 2) Select the name of your organisation from the drop-down box at the top of this worksheet.
- 3) In the Corporate Governance Statement and Other Certifications worksheets, enter responses and information into the yellow data-entry cells as appropriate.
- 4) Once the data has been entered, add signatures to the document, as described below.
- 5) Use the Save File button at the top of this worksheet to save the file to your Network or Computer - note that the name of the saved file is set automatically - please do not change this name.
- 6) Copy the saved file to your outbox in your NHS Improvement Portal.

**Notes:** *NHS Improvement will accept either:*

- 1) *electronic signatures inserted into this worksheet (save signature file locally and use 'Insert - Picture' from the toolbar/ribbon to do this) or*
  - 2) *hand written signatures on a paper printout of this declaration posted to NHS Improvement to arrive by the submission deadline.*
- In the event than an NHS foundation trust is unable to fully self certify, it should NOT select 'Confirmed' in the relevant box. It must provide commentary (using the section provided at the end of this declaration) explaining the reasons for the absence of a full self certification and the action it proposes to take to address it.*

Worksheet "Corporate Governance Statement"

**Corporate Governance Statement**

*The Board are required to respond "Confirmed" or "Not confirmed" to the following statements, setting out any risks and mitigating actions planned for each one*

**4 Corporate Governance Statement**

**Response**

**Risks and mitigating actions**

1 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.

**Confirmed**

Ongoing review of corporate governance, including guidance issued by NHS Improvement. Annual review of the Code of Governance including a statement in the Annual Report and Annual Governance Statement. Internal Well-led Review scheduled for September 2016.

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

**Confirmed**

The Trust has commissioned one externally led governance review - on the effectiveness of its Quality and Safety Committee from the then Chief Executive of Tees, Esk and Wear Valleys NHS Foundation Trust. The report concluded that the Committee had a strong focus on assurance with several examples of excellent practice.

3 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

**Confirmed**

The Board and Committee structures are regularly reviewed by the Chair. There is an annual review by each Committee of its terms of reference and an annual report is submitted to Trust Board. An

(c) Clear reporting lines and accountabilities throughout its organisation.

action plan will be developed to address any issues raised within the forthcoming internal Well-led Review.

4

The Board is satisfied that the Trust effectively implements systems and/or processes:

**Confirmed**

The Board has a range of measures to support this statement through Board and Committee meetings and regular performance meetings with Business Units attended by Executive Directors and chaired by the Chief Executive. Key reports that are regularly received include:

- Integrated performance report and exception reports
- Corporate Risk Register
- Board Assurance Framework
- Committee performance dashboards
- Change Programme Board reports

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

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

(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;

(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);

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

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

(g) To generate and NHS Improvement 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

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

5 The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:

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

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

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

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

(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.

<b>Confirmed</b>	Quality is the key driver for the Board of Directors and it receives regular information about the quality of services through Board and Committee meetings. The Quality and Safety Committee and Mental Health Legislation Committee advise the Board on any quality issues that require escalation. Board members supplement this by regular quality and safety walkabouts and other visits to services. The Board has approved a new set of quality goals for 2016/17 as part of the annual Quality Report.
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6 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.

<b>Confirmed</b>	The Board has a Workforce Strategy and annual workforce plan in place. Ongoing appraisals and professional revalidation processes are in place as well as a broad range of mandatory, statutory, vocational and professional training provided both in-house and via other organisations. The Chief Executive has announced he is to retire at the end of August 2016. Interim arrangements are in place for the Deputy Chief Executive to assume this role whilst a full recruitment and selection process is undertaken.
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Signed on behalf of the board of directors, and having regard to the views of the governors

**Signature**

\_\_\_\_\_

**Name**

Michael Smith

**Signature**

\_\_\_\_\_

**Name**

Simon Large

The board are unable make one of more of the above confirmations and accordingly declare:

A

[Redacted area A]

B

[Redacted area B]

C

[Redacted area C]

## Worksheet "Other declarations"

### Certification on AHSCs and governance and training of governors

*The Board are required to respond "Confirmed" or "Not confirmed" to the following statements. Explanatory information should be provided where required.*

5	<b>Certification on AHSCs and governance</b>	<b>Response</b>
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For NHS foundation trusts:

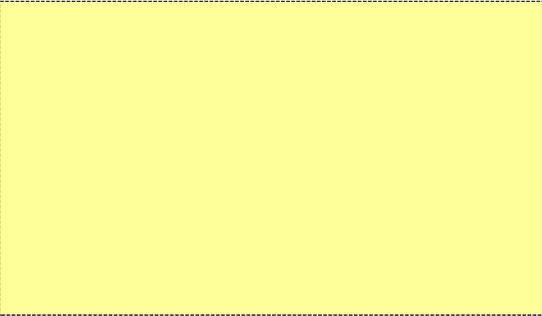
- that are part of a major Joint Venture or Academic Health Science Centre (AHSC); or
- whose Boards are considering entering into either a major Joint Venture or an AHSC.

The Board is satisfied it has or continues to:

- ensure that the partnership will not inhibit the trust from remaining at all times compliant with the conditions of its licence;
- have appropriate governance structures in place to maintain the decision making autonomy of the trust;
- conduct an appropriate level of due diligence relating to the partners when required;
- consider implications of the partnership on the trust's financial risk rating having taken full account of any contingent liabilities arising and reasonable downside sensitivities;
- consider implications of the partnership on the trust's governance processes;
- conduct appropriate inquiry about the nature of services provided by the partnership, especially clinical, research and education services, and consider reputational risk;
- comply with any consultation requirements;
- have in place the organisational and management capacity to deliver the benefits of the partnership;
- involve senior clinicians at appropriate levels in the decision-making process and receive assurance from them that there are no material concerns in relation to the partnership, including consideration of any re-

N/A

- configuration of clinical, research or education services;
- address any relevant legal and regulatory issues (including any relevant to staff, intellectual property and compliance of the partners with their own regulatory and legal framework);
  - ensure appropriate commercial risks are reviewed;
  - maintain the register of interests and no residual material conflicts identified; and
  - engage the governors of the trust in the development of plans and give them an opportunity to express a view on these plans.



**6 Training of Governors**

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.

**Confirmed**

Signed on behalf of the Board of directors, and having regard to the views of the governors

Signature

Signature

Name Michael Smith

Name Simon Large

Capacity Chair

Capacity Chief Executive

Date 30 June 2016

Date 30 June 2016

*Where boards are unable to self-certify, they should make an alternative declaration by amending the self-certification as necessary, and including any significant prospective risks and concerns the foundation trust has in respect of delivering quality services and effective quality governance*

The Board are unable make one of more of the confirmations on the preceding page and accordingly declare:

A

The Trust is not part of a major Joint Venture or an Academic Health Science Centre, so Declaration 5 is not applicable.

B

C