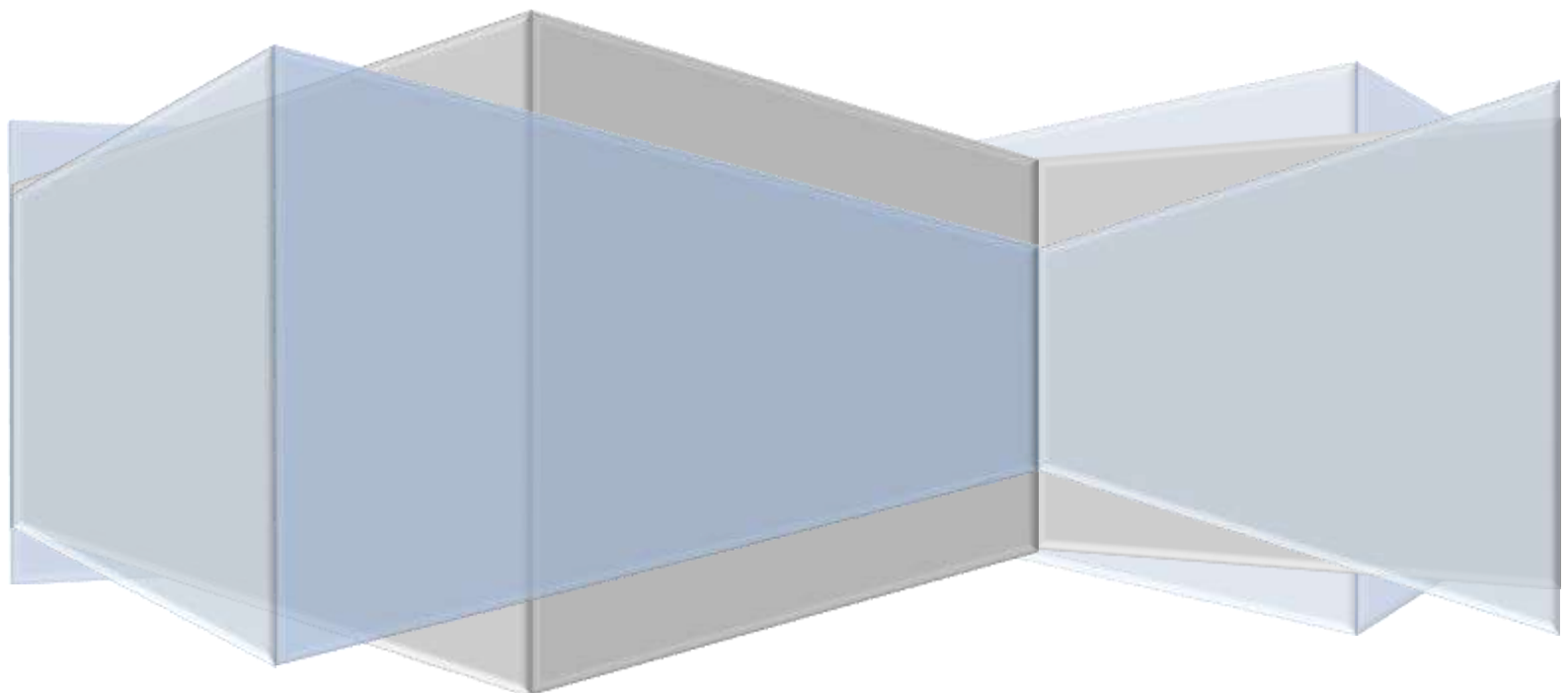


Board Governance

Independent Verification of South Eastern HSC Trust Board Governance Self-Assessment

March 2018



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1. INTRODUCTION

The Department of Health requires the Boards of Arm's Length Bodies to complete a Board Governance Self-Assessment Tool (BGSAT) on an annual basis. The self-assessment tool is intended to help ALBs improve the effectiveness of their Board and provide Board members with assurance that the Board is conducting its business in accordance with best practice.

This is the sixth year in which the Board of South Eastern Health and Social Care Trust has completed the BGSAT. Boards are also required to have their ratings independently verified on average every three years¹. This is the 2nd Independent Verification (IV) report. The Report follows the format of the BGSAT, verifying ratings in relation to the leading indicators of effective Board governance, namely:

- Board composition and commitment
- Board evaluation, development and training
- Board insight and foresight
- Board engagement and involvement
- Board impact case studies.

Each indicator is sub-divided into sections, each of which has been RAG rated. This Report summarises the view of the Independent Verifier on the accuracy and substance of the assessed ratings.

2. APPROACH

The verification exercise has been undertaken through the SLA with the HSC Leadership Centre.

The approach has included an initial review of the BGSAT identifying scope and focus of IV process; discussions with the Chair and the Board Secretary; sampling of documentary evidence; observation of a Board meeting and telephone interviews with a number of Executive and Non-Executive Directors.

The report is submitted to the Chair and sets out the findings of the IV Review including recommendations for discussion by Board members. The Report is available to the Department of Health on request.

¹ Letter from the Permanent Secretary and HSC Chief Executive to Chairs of HSC & NIFRS, 18th November 2014

3. FINDINGS

All self-assessed ratings have been verified. The following paragraphs note particular supporting evidence and any suggestions for improvement going forward.

3.1 Board Composition and Commitment

The Board has self-assessed all sections under Board Composition and Commitment as green. There is substantial evidence of compliance in all areas. No red flags are indicated.

Board Position and Size

Rating Green (verified)

All voting positions are substantively filled and the membership of the Board is clear in documentation and through discussion with members. In the last two years Non-Executive Director (NED) Board membership has changed completely. Three new NEDs were appointed in February 2016. Four new NEDs were appointed in January 2017. The Chair's term was extended in October 2017 and this has enabled continuity and stability through the induction and development period of new NEDs. Appointments are made in accordance with the Code of Practice issued by the Commissioner for Public Appointments for NI. The final decision on the extension of appointments rests with the Department. South Eastern Trust has moved from a period of having an established and mature Board, through a period of bringing on board two groupings of new NEDs staggered over a six month period, to once again reach a more settled position. The Board will lose a highly experienced Chair later this year² and should be mindful of managing that important transition and the induction of their new Chair.

Balance and calibre of Board members

Rating Green (verified)

The recent skills audit completed by members reflects a diversity of skills, experience and knowledge across Board membership, Executive and Non-Executive. Third sector experience is light although two NEDS bring experience of working in/with third sector organisations. As noted above all NED appointments are made by the DoH in accordance with the Code of Practice issued by the Commissioner for Public Appointments for NI. The Code commits to increasing diversity within public appointments, subject to the principle of appointment on merit. All Executive Director positions are substantively filled. There is good evidence supporting the balance and calibre of Board members including appropriateness of Committee roles undertaken by NEDs.

² Mr Colm McKenna was appointed as Chair of SEHSCT in October 2008.

Role of the Board

Rating Green (verified)

There is substantial evidence that the role and responsibilities of the Board are clearly defined, communicated and understood. Documentation includes the Induction Programme, Job descriptions, Board Minutes, Terms of Reference and Minutes for Board Committees etc. Discussions with Board members (Executive and Non-Executive) demonstrate understanding of roles and responsibilities. The Board observation undertaken on 31st January 2018 provided opportunity to see the Board in action. Both the Confidential and Public sections of the meeting were well-led and demonstrated a high level of purposeful member contribution, challenge and corporate responsibility.

Committees of the Board

Rating Green (verified)

All committees of the Board have clear Terms of Reference which are reviewed annually. Terms of Reference, Minutes of Committee meetings and committee reports to Board were all readily available. Discussion with three Chairs of Committees supports the view that there is an effective Committee structure with clear lines of reporting to the full Board. The Scheme of Delegation is clear. There is an annual appraisal of Non-Executive Directors by the Board Chair. This covers performance generally. Given the importance of the roles of Chairs of Board sub-committees, it is recommended that the appraisal discussion includes and notes a specific conversation in relation to Committee roles.

Board Member Commitment

Rating Green (verified)

A Board attendance record is maintained and there have been no concerns about attendance. Members demonstrate significant commitment to the work of the Board, attending Board meetings, committee meetings, workshops, development events, celebration events, visits to facilities etc. The time commitment has been discussed with members during induction and all have received copies of the Code of Accountability.

3.2 Board Evaluation, Development and Learning

The Board has self-assessed sections under Board Evaluation, Development and Learning as green. Evidence supports the ratings given. No red flags are indicated.

Effective Board level Evaluation

Rating Green (verified)

The BGSAT has been completed annually since introduction for 2012/13 year. This is the sixth assessment. As a result of each assessment the Board Secretary prepares a BGSAT Action Plan. There were two outstanding items on the 17/18 Action Plan, namely, undertaking a Skills Audit of the Board and developing a documented programme of work for the Trust Board similar to

that used by the Committees. The Skills Audit has been completed. The Trust Board Programme of Work, together with a documented Terms of Reference, have been drafted and are ready for approval by the Chairman. The Board is supported by a highly effective secretariat. Board members are appreciative of the depth of expertise and experience available to them. Documentation is readily accessible. In undertaking the BGSAT the Board has taken time in workshop format to review each of the indicators. The range of evidence available has been discussed. Staff perspectives have been taken into account through discussion of the Staff Survey results³, feedback by the Investors in People⁴ internal reviewers and also learning through Patient Stories presented at the beginning of each Board Meeting.

Whole Board Development Programme

Rating Green (verified)

The Board has a programme of development in place, which includes an ongoing programme of workshops, whole-board development away days and other activities, including visits and a buddy arrangement. Non-Executive Directors confirmed the usefulness of the development programme. Workshops have enabled a deeper exploration and understanding of complex issues arising. In addition, NEDs advised that when they have brought forward a request for a particular workshop or activity, colleagues have been responsive in making that happen in a timely way. Development includes all Board members, Executive and Non-Executive. There is a good track record of Board development and a commitment from all those interviewed to ongoing development as a Board. The Buddy system was reviewed in 2017 and discussed at a Board Away Day in October 2017.

Induction, Succession & Contingency Planning

**Rating Green
(verified)**

As well as attending the regionally organised programme for NEDs, all Board members attended an extensive Internal Induction programme. A comprehensive Induction Pack is provided to each Board Member⁵. A number of NEDs commented positively on their induction into their sub-committee Chair roles, with opportunity to overlap and attend at least one meeting with the previous committee chair presiding. Succession planning is critical to the success of the Board both in terms of Executive and Non-Executive Directors. The Board has a stable Executive Director base, with minimal turnover (two new Directors in the last three years). Non-Executive turnover has been commented on earlier. All positions, Executive and Non-Executive are currently filled.

³ Staff Survey discussed at Board workshop 16 October 2016.

⁴ IiP presentation to Trust Board on 10 May 2017.

⁵ Induction Pack for Board of Directors, March 2017.

Board member appraisal and personal development

**Rating Green
(verified)**

The Chair undertakes an annual appraisal of Board member performance. Four of the NEDs have just completed their first year as Board members and are due their first review of performance. It is recommended that all formal NED appraisals are completed prior to the departure of the current Chairman. The Chairman has considered and assigned NEDs to Committees on the basis of their individual strengths and appraisal discussions include a focus on personal development. As noted earlier, the Board will lose their highly experienced Chair later this year. Applications for the role of Chair closed recently with a view to public appointment from July 2018 for a maximum of four years.

3.3 Board Insight and Foresight

The Board has self-assessed all sections under Board Insight and Foresight as green. There is evidence of compliance in all areas. No red flags are indicated.

Board performance reporting

Rating Green (verified)

The Board receives comprehensive Performance Reports. These have evolved over a number of years and cover quality, safety, experience and financial performance information.

There have been recent enhancements to the Integrated Performance Management and Accountability Framework. The Framework provides for:

- Section 1: Safe and Effective Care - presentation of Key Performance Indicators
- Section 2: South Eastern Trust Outcomes - linking performance and the contribution of SET to outcomes.
- Section 3: Performance against the Commissioning Plan, including Performance trajectories. This section builds on existing score cards and dashboard (performance against targets), reporting against Service and Budget agreement and including trajectories for those services not achieving SBA performance.

This approach was well received by Board members at the observed meeting in January 2018.

A monthly Finance Report is provided to the Board. The Finance Committee is one of the five Board committees. The Finance Committee focuses on the overall financial strategy of the Trust. The Committee discusses the monthly Finance Reports, and actions being taken re variances. The Minutes of all sub-committees come to the Board with a brief cover paper and verbal update

by the relevant Chairs. In discussion with Board members this approach appears to be working well, with good and appropriate levels of debate at sub-Committees and where matters are highlighted at whole Board meetings. The Integrated Governance Strategy, the Board Assurance Framework and the Risk Management Strategy provide a robust framework and infrastructure for the identification, discussion, decision-making and monitoring of risks. Interviews with a number of Chairs of sub-committees support the written evidence and demonstrate a high level of confidence in the reporting and escalation of risks.

Efficiency and productivity

Rating Green (verified)

The risk management process is well documented and described knowledgeably by Executive and Non-Executive Directors. 2017/18 was a difficult year for all HSC organisations with significant financial pressures across the system leading the DoH to task HSC Trusts with developing draft savings plans to deliver their share of £70m savings in 2017/18. This was an extremely challenging period requiring publication of proposals and public consultation within a seven week period. Board members report full involvement in discussions about the impact of plans on services, risks and final decisions. The Board Assurance Framework describes the systems of internal control and covers Corporate Control, Safety and Quality, Finance and Operational Performance and Service Improvement.

Environmental and strategic focus

Rating Green (verified)

Board members have a good understanding of the HSC environment and strategic issues. NEDs reported accelerated learning through dealing with the financial pressures expressed across the HSC system through August-October 2017. Members attended Board workshops and public meetings ensuring that proposals were well debated, statutory responsibilities protected, risks managed and quality of services maintained. Environmental and strategic focus was high on the Board's agenda throughout this period and continues to be so. Issues appear to be well debated through the various committees. The Chief Executive's Report at Board meetings affords opportunity for detailing important changes or issues in the external environment. The vision and values of the organisation have been published in a new Corporate Plan, 2017 – 2021. The Plan differs from earlier versions in its shift towards an outcomes approach aligned with the draft Programme for Government. This demonstrates strategic alignment. The new Integrated Performance Management and Accountability Framework connects the performance of the Trust to the strategic agenda and wider societal outcomes, whilst also ensuring a focus on core delivery. The Board programme of workshops has provided structured time for consideration of environmental and strategic risks. In discussion with NEDs and EDs it is evident that there is

a high level of understanding of Executive/Departmental priorities and statutory responsibilities.

Quality of Board papers and timeliness of information **Rating Green (verified)**

SET Board papers are of a high standard and issued in a timely manner. Cover papers clearly state purpose, that is, for discussion, approval or information/noting. NEDs complimented the quality and preparation behind papers and reported a high level of confidence in the accuracy and appropriateness of the information presented. Board papers (including sub committee papers) are issued on Trust iPads one week in advance of Board meetings. At the observed meeting there was a mature questioning and discussion of the Reports presented. An annual programme of Board meetings is scheduled and published on the Trust website. Committee meetings are also scheduled well in advance. The Board's programme of work takes account of relevant Trust Board approvals in line with DoH requirements and statutory duties.

Assurance and risk management **Rating Green (verified)**

A robust assurance and risk management process is in evidence. The Risk Management Strategy (RMS), Board Assurance Framework (BAF) and Integrated Governance Strategy (IGS) are reviewed annually and were discussed at the Trust Governance Assurance Committee on 10 January 2018. The documentation is comprehensive. Minutes of the various meetings demonstrate assurance and risk management in action. Discussion with a number of NEDs and EDs evidences a high level of understanding and commitment to assurance and risk management at Board level and throughout the organisation. There is awareness that health and social care is complex and that the practice of risk management must be embedded in the normal management processes and structures of the organisation. The RMS, BAF and IGS enacted through the Board, its five sub-committees and network of supporting committees and operational practices provide a robust infrastructure of assurance and risk management.

3.4 Board Engagement and Involvement

The Board has self-assessed all sections under Board Engagement and Involvement as green. There is substantial evidence of compliance in all areas. No red flags are indicated.

External stakeholders **Rating Green (verified)**

The Trust has a Personal and Public Involvement (PPI) Strategy - 'Involving You'. The Strategy was considered and approved by the Board on 5th October 2016. A Personal and Public Involvement committee reports through

to the Board sub-committee on Safety and Quality. The PPI sub-committee includes service user and carer members. There is good evidence of stakeholder engagement in the development of the Corporate Plan. The Trust supports a range of service user groups, for example, the Carers Users & Providers (CUP) Network. The Network was established to ensure that the people who use Adult Mental Health services and those who live with or care for them can have a say in how these services are provided locally and across the Trust area. The Trust is also an active Community Planning partner. As Community Planning evolves there may be issues of cross-sector governance to explore. There is good evidence that the Board connects with and involves external stakeholders. Each public Board meeting begins with a Patient/Client story providing a direct connection between the board and the work of the Trust. All Board members are also actively involved in a schedule of visits to facilities/services across the Trust. Board members reported that these provide a valuable insight to service delivery and the experience of patients and clients. In the past year there have been a number of examples of adverse publicity. Board members have been well informed about these and each situation has been managed openly and effectively.

Internal Stakeholders

Rating Green (verified)

A variety of methods are in evidence to enable the board and senior management to listen to the views of staff, including hard to reach groups like night staff and weekend workers. The Board is committed to an organisation that is a 'great place to work'.⁶ The Staff Survey results have been considered by the Board (October 2016) and Board members heard directly from staff undertaking internal reviews for the new Investors in People standard (May 2017). The annual Leadership Conference, Chairman's Awards, Leadership Walkarounds, visits, involvement in developing Directorate Management Plans all evidence a high level of engagement and staff involvement. Whilst turnover of staff is difficult in some areas, this is consistent with regional patterns and overall turnover of staff has averaged at 7% over the last three years (April – March). Directors receive a bi-monthly Workforce Report. The values 'Integrity, Compassion, Excellence and Trust' are promoted as core to achieving high quality services and are clearly communicated in the Corporate Plan.

Board Profile and Visibility

Rating Green (verified)

The Board of SET has a high profile supported by a structured programme of events that NEDs actively engage in. Information from Leadership walkarounds is discussed at appropriate Committees and actions agreed and followed up. Board members attend a full programme of annual events

⁶ Corporate Plan 2017 - 2021

including visits to a wide range of facilities across Trust services including Children's Homes, attendance at the annual Leadership Conference, Chairman's Awards, Patient Experience Awards etc. Board minutes and papers are available on the Trust web site.

4. CASE STUDY

The Board Impact Case Study submitted relates to the GP Out of Hours Service and a risk of temporary centre closures between June to September 2017. The Case Study illustrates the management of a service risk and involvement of the Board through the Governance Assurance Committee. There continues to be an increased corporate focus on the service given the regional/national shortage of GPs.

The selection process for Case Study(ies) for the BGSAT has been discussed by Board members with a view to involving NEDs in selection for the next annual Board Governance Self-Assessment.

5. CONCLUSION

Based on the documentation requested and provided, examination of the Trust web-site and published Reports, interviews with a number of Executive, Non-Executive Directors, Chair and Board Secretary, and observation of the Board in action, the ratings submitted in the BGSAT are supported. The BGSAT provides a useful assurance to the Board that it is conducting its business in line with best practice.

Whilst a number of recommendations are made below, these are aimed at further development of the Board. There were no material concerns identified through the Verification process. This is a well-run Board with highly committed and experienced Executive and Non-Executive Directors, Chief Executive and Chairman.

6. RECOMMENDATION

Board Composition and Commitment

1. Trust Board members recently completed a Skills Audit. The findings of the Audit are useful in reflecting on the knowledge and skill base of the Board. Board members should consider the output at their next development day.
2. Third sector experience is light at Board level. The Board could usefully discuss this to consider how best to bring that experience appropriately into the room.

Board Evaluation, Development and Learning

3. The Trust Board is most likely to have a new Chair from July 2018. This is a crucial transition for Board members to manage and a full induction for the Chair should be planned for over the next few months.
4. All NED appraisals should be completed before the departure of the current Chairman, ensuring valuable discussion and reflection on performance over the last year. Appraisal should include specific reflection on Committee roles.

Board Insight and Foresight

5. The new enhanced Performance approach has been well received by Board members. The Performance Report and the Finance Report continue to be presented separately at the Trust Board meeting. Separate Reports are not an issue. However, the Board must continue to ensure that the Reports are never considered in isolation from one another.
6. Governance within SET includes a comprehensive structure of Committees. Each has a clear role and set of responsibilities. It is important that the Board continue to maintain a focus on governance and ensure annual review of Committees and the lines of accountability between committees and the Board.

Board Engagement and Involvement

7. This was again a strong area for the Board. Going forward, governance of actions arising through Community Planning may be a useful area for exploration.

Impact Case Study

8. Board members should be involved in the selection of the Case Study for the BGSAT.

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24th March 2018