

MEETING	Board of Directors	
PAPER/REPORT TITLE:	Compliance with Provider Licence Condition FT4 – Corporate Governance Statement	
DATE OF MEETING:	Friday, 01 June 2018	
ACTION REQUIRED	For Approval	
EXECUTIVE DIRECTOR:	Colin Reid, Trust Secretary	
AUTHOR(S):	Click here to enter text.	
STRATEGIC OBJECTIVES:	<p>Which Objective(s)?</p> <p>1. To develop a well led, capable, motivated and entrepreneurial <i>workforce</i> <input checked="" type="checkbox"/></p> <p>2. To be ambitious and <i>efficient</i> and make the best use of available resource <input checked="" type="checkbox"/></p> <p>3. To deliver <i>safe</i> services <input checked="" type="checkbox"/></p> <p>4. To participate in high quality research and to deliver the most <i>effective</i> Outcomes <input checked="" type="checkbox"/></p> <p>5. To deliver the best possible <i>experience</i> for patients and staff <input checked="" type="checkbox"/></p>	
LINK TO BOARD ASSURANCE FRAMEWORK (BAF):	<p>Which condition(s)?</p> <p>1. Staff are not engaged, motivated or effective in delivering the vision, values and aims of the Trust..... <input checked="" type="checkbox"/></p> <p>2. Potential risk of harm to patients and damage to Trust's reputation as a result of failure to have sufficient numbers of junior medical staff with the capability and capacity to deliver the best care. <input checked="" type="checkbox"/></p> <p>3. The Trust is not financially sustainable beyond the current financial year..... <input checked="" type="checkbox"/></p> <p>4. Failure to deliver the annual financial plan <input checked="" type="checkbox"/></p> <p>5. Location, size, layout and accessibility of current services do not provide for sustainable integrated care or quality service provision <input checked="" type="checkbox"/></p> <p>6. Ineffective understanding and learning following significant events..... <input checked="" type="checkbox"/></p> <p>7. Inability to achieve and maintain regulatory compliance, performance and assurance..... <input checked="" type="checkbox"/></p> <p>8. Failure to deliver an integrated EPR against agreed Board plan (Dec 2016) <input checked="" type="checkbox"/></p> <p>9. Inability to deliver the best clinical outcomes for patients..... <input checked="" type="checkbox"/></p> <p>10. Potential for poorly delivered positive experience for those engaging with our services.. <input checked="" type="checkbox"/></p>	
CQC DOMAIN	<p>Which Domain?</p> <p>SAFE- People are protected from abuse and harm <input type="checkbox"/></p> <p>EFFECTIVE - people's care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence. <input type="checkbox"/></p> <p>CARING - the service(s) involves and treats people with compassion, kindness, dignity and respect. <input type="checkbox"/></p> <p>RESPONSIVE – the services meet people's needs. <input type="checkbox"/></p>	

	WELL-LED - the leadership, management and governance of the organisation assures the delivery of high-quality and person-centred care, supports learning and innovation, and promotes an open and fair culture. <input type="checkbox"/>	
	ALL DOMAINS <input checked="" type="checkbox"/>	
LINK TO TRUST STRATEGY, PLAN AND EXTERNAL REQUIREMENT	1. Trust Constitution <input checked="" type="checkbox"/> 2. Operational Plan <input type="checkbox"/> 3. NHS Compliance <input checked="" type="checkbox"/>	4. NHS Constitution <input checked="" type="checkbox"/> 5. Equality and Diversity <input checked="" type="checkbox"/> 6. Other: Click here to enter text.
FREEDOM OF INFORMATION (FOIA):	1. This report will be published in line with the Trust's Publication Scheme, subject to redactions approved by the Board, within 3 weeks of the meeting	
RECOMMENDATION: <i>(eg: The Board/Committee is asked to:-....)</i>	The Board is asked to approve the FT4 submission for publication on the Trust website in accordance with the requirements of the Provider Licence.	
PREVIOUSLY CONSIDERED BY:	Committee name	<i>Choose an item.</i> Or type here if not on list: Click here to enter text.
	Date of meeting	Click here to enter a date.

Executive Summary

Introduction

NHSI revised its governance reporting requirements for trusts in 2013/14. In order to comply with both the provider licence and the Risk Assessment of their licence, the Trust is required to provide a "forward looking governance statement" in the form of a Corporate Governance Statement (CGS) to NHS Improvement. The statement, which is required to be declared by 30 June 2018, will confirm compliance with the licence condition FT4 and provide any risks to compliance with this condition during the next year and any mitigating actions it proposes to take to manage such risks.

Licence Condition FT4 - sets out the criteria that the Trust has to assess itself against when completing the Corporate Governance Statement. In addition the Trust was required to describe the ways in which it was able to assure itself of the validity of its Corporate Governance Statement in its Annual Governance Statement (AGS). The AGS was submitted with the Trust Annual Report and Accounts 2017/18 as part of the year end reporting timetable. The CGS replaces the board statements that NHS Foundation Trusts were previously required to submit with their annual plans under the FT Compliance Framework.

Additional compliance statements are also required relating to Joint Ventures and Governor Training.

Corporate Governance Statement (CGS)

	Corporate Governance Statement A	Current arrangements B	Response C	Risks and mitigating actions D
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.	<ul style="list-style-type: none"> • NHS Improvement well-led review undertaken by Deloitte’s which recognised that the Trust had principles, systems and standards of good corporate Governance in place. • CQC inspection provided the Trust with a ‘good’ well led rating. • CQC recognition of the Trusts fit and proper person test processes for board and senior staff. • Review of NHSI Code of Governance – No Non Compliance. • Membership of NHS Providers and the Company Secretary networks • Reviews of NHSI and other bulletins by the board and regular updates from the external auditors through the audit committee. • The Trust has an internal audit programme and assurance cycle. • External auditors provide assurance on the content of the Trust Annual Report and Accounts, the Quality Report and provide an opinion on Trust annual governance statement. • Effectiveness review of Board committees undertaken through the receipt of Committee annual reports and reviews of terms of reference. Effectiveness of GACA undertaken in year. 	Confirmed	
2	The Board has regard to such guidance on good corporate	<ul style="list-style-type: none"> • Trust Secretary in post, identification of any changes 	Confirmed	

	governance as may be issued by NHS Improvement from time to time	<p>in guidance.</p> <ul style="list-style-type: none"> • Receipt and Review of regular updates from NHS Improvement • Membership of NW FT Company Secretary network and NHS Providers Company Secretary Network. • Regular communications from legal advisors and internal and external auditors. 		
3	<p>The Board is satisfied that the Trust implements:</p> <p>(a) Effective board and committee structures;</p> <p>(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and</p> <p>(c) Clear reporting lines and accountabilities throughout its organisation.</p>	<ul style="list-style-type: none"> • Review of Board and Committee structure undertaken. Constant review of performance of Board and committee's undertaken and annual report from each committee is presented to the Board for noting. • Annual Governance statement provides the Board with assurance surrounding the responsibilities of the Board and its committees. • Board approved terms of reference of Board Committees providing details of reporting lines, responsibilities and membership. • Clear reporting lines within the Board, Executive and service areas provided through the Trusts governance framework and Workforce strategies developed in line with Trust's Vision, Aims and Value's • Additional review of divisional structures being undertaken so that accountabilities are appropriate across the Trust. • Annual review of all committee and subcommittee reviews of terms of reference undertaken 	Confirmed	
4	The Board is satisfied that the Trust effectively implements systems and/or processes:		Confirmed	The Board noted the

<p>(a) To ensure compliance with the Licensee’s duty to operate efficiently, economically and effectively;</p> <p>(b) For timely and effective scrutiny and oversight by the 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</p>	<p>a) Strong systems of financial and quality governance in place. All statutory audits and reporting requirements fulfilled via Audit Committee and or the Finance Performance and Business Development Committee.</p> <p>The External Audit opinion 2017/18 provided additional assurances with regards to the Trust duty to operate efficiently, economically and effectively by providing a qualified conclusion that they were satisfied that in all significant respects the Trust had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2018. This opinion was provided against the backdrop of a significant financial sustainability risk due to the ongoing deficits and the requirement for distressed financing. The long term financial sustainability is on the BAF as a significant risk.</p> <p>b) Performance review, service reporting arrangements, service review, performance dashboards at all levels within the organisation with systems for appropriate escalation and review to ensure timely and effective scrutiny and oversight of all operations.</p> <p>c) Effective systems and processes in place to ensure with national and local healthcare standards - internal and external assurance systems are in place and reported through the Trust’s integrated governance framework.</p> <p>d) Financial and operational plans in place approved by</p>		<p>opinion of the external auditor for financial year 2017/18 that recognises the significant risk of financial sustainability due to the ongoing deficits and the requirement for distressed financing.</p> <p>The Board believes that the Trust has in place strong systems of financial and quality governance processes to manage the risk. The Financial Sustainability risk is one of the most significant risks impacting on the Trust and is on Board Assurance Framework together with the specific controls in place, gaps, mitigations and action plans.</p>
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	<p>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 monitor 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</p>	<p>the Board and discussed with Governors. Cost Improvement programme agreed with services and corporate departments. Contracts and business development managed appropriately. Workforce strategies developed to meet service demands, and workforce plans reviewed to minimise the use of agency/temporary staff. Robust procurement scrutiny to minimise costs and number of tender waivers. Annual and rigorous review of the Trust as a Going Concern overseen by Audit Committee and reported to Board.</p> <p>e) Robust integrated governance structure in place. Board and committee structures fully serviced. Accurate, comprehensive, timely, up-to-date information available for Board and Board committees.</p> <p>f) Financial and operational risks identified in planning process and reported through the Board Assurance Framework/Corporate Risk Register. Oversight of the risks are provided through the integrated governance framework/structure and reported to the Board. GC6 and CoS7 approved by Board as “in compliance” with the licence.</p> <p>g) Effective Strategic and business planning arrangements in place embedded within the trust and reviewed with Governors, CCG and NHSI (through monthly NHSI Oversight and Support meetings).</p> <p>h) Applicable legal requirements, against principal objectives and activities of the organisation reviewed</p>		
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	requirements.	and managed appropriately as part of the Trust's governance arrangements. Each Executive areas of responsibility require that they take account of any changes to legal requirements.		
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> <p>(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;</p>	<p>a) Board capability reviewed against strategic direction and business plans. Focus on quality of care. Robust appraisal arrangements in place across the Trust. Medical Revalidation and appraisal systems in place and Leadership Management Development implemented across the Trust.</p> <p>b) Quality of care fully integrated within all planning and decision-making processes.</p> <p>c) (and d) Performance and SEE reports, patient experience and quality of care initiatives routinely provided to Board Committees and reported to the Board by exception. Board receives overarching Performance (operations and Finance) reports.</p> <p>d) Board receives a Patient Story at each Board meeting unless one is not available and receives presentations on quality of Care at both Board and Board committees and where necessary at Board development workshops. Quality is prominent within each Board and Board Committee agenda, now enhanced with the change of name of GACA to the Quality Committee.</p>	Confirmed	

	<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>	<p>e) Board and Board Committees receive Patient Stories and presentations from staff on quality of care provided by the trust. Executive and NED ward and department visits to be undertaken to assess staff and patient care. Friends and Family Test systems in place and reported through the Governance Structure. Quality Strategy and Patient Experience Strategy in place and reviewed by QC and Board. The Board through QC receives reports on complaints (SEE Report). There is active engagement between the Board and the Council of Governors (CoG) - Board members attend all CoG meetings.</p> <p>f) Escalation of reporting embedded in the Trust. Systems in place to allow for escalation to the Board as required through the integrated governance structure.</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>	<p>Constitution sets out required numbers and qualifications for Board members.</p> <ul style="list-style-type: none"> • Reviews undertaken by the Board and Governors Nominations Committee at time of recruitment of Executive and Non-Executive directors on the board mix, need and experience • The NEDs provide challenge and scrutiny through attendance at Board and Board Committees regarding appropriate staffing levels. • Through use of board assurance framework and risk management Strategy at Board, Board Committees and Sub Committees and Groups within the Trust Governance Structure • The financial and operational plan includes details 	Confirmed	

		<p>on transformation and HR requirements including mitigation of risks associated with future workforce requirements.</p> <ul style="list-style-type: none"> • Board in receipt of monthly and bi annual safe staffing reports • Guardian of safe working appointed and active in the trust. 		
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Other Statements:

The numbering in this document follows that provided in the NHS Improvement template.

	Corporate Governance Statement	Current arrangements	Response	Risks and mitigating actions
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.	Governors receive induction training and will have, as part of the induction, one to one sessions with the Trust Secretary at appointment. External training is provided through the NW Secretaries Group. Internal training is also provided at and during Council, Council Committee meetings and workshops to deal with specific areas of their roles and responsibilities. The Trust Secretary is available to respond to any matters that Governors may require clarification and if appropriate ad hoc training is provided should this be necessary. The Council committee structure provides additional training on matters relating to quality and patient experience, finance and performance measures and any additional requirements.	Confirmed	


Worksheet "FT4 declaration"


Corporate Governance Statement (FTs and NHS trusts)

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

1	Corporate Governance Statement	Response	Risks and Mitigating actions	
1	The Board is satisfied that the Licensee 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	[including where the Board is able to respond 'Confirmed']	Please complete Risks and Mitigating actions
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	Confirmed	[including where the Board is able to respond 'Confirmed']	Please complete Risks and Mitigating actions
3	The Board is satisfied that the Licensee has established and 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		Please complete Risks and Mitigating actions
4	The Board is satisfied that the Licensee has established and 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 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 monitor 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 health care regulations.	Confirmed	The Board noted the audit opinion of the external auditor for financial year 2017/18 that recognises the significant risk of financial sustainability due to the ongoing deficits and the requirement for distressed financing. The Board believes that the Trust has in place strong systems of financial and quality governance processes to manage the risk. The Financial Sustainability risk is one of the most significant risks impacting on the Trust and is on Board Assurance Framework together with the specific controls in place, gaps, mitigations and action plans.	Please complete Risks and Mitigating actions
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 Licensee, 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 Licensee including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.	Confirmed		Please complete Risks and Mitigating actions
6	The Board is satisfied that there are systems to ensure that the Licensee 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.	Confirmed	[including where the Board is able to respond 'Confirmed']	Please complete Risks and Mitigating actions

Signed on behalf of the Board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

Signature 
Name: Robert Clarke

Signature 
Name: Kathryn Thomson

Further explanatory information should be provided below where the Board has been unable to confirm declarations under

A Please Respond

Certification on training of governors (FTs only)

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

2 Training of Governors

1 The Board is satisfied that during the financial year most recently ended the Licensee 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 OK


Signed on behalf of the Board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

Signature 

Name Robert Clarke

Capacity Chair

Date 01 June 2018

Signature 

Name Kathryn Thomson

Capacity Chief Executive

Date 01 June 2018

Further explanatory information should be provided below where the Board has been unable to confirm declarations under s151(5) of the Health and Social Care Act

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