

<b>MEETING</b>	Board of Directors	
<b>PAPER/REPORT TITLE:</b>	Compliance with Provider Licence Condition FT4 – Corporate Governance Statement	
<b>DATE OF MEETING:</b>	Thursday, 16 May 2019	
<b>ACTION REQUIRED</b>	For Approval	
<b>EXECUTIVE DIRECTOR:</b>	Colin Reid, Trust Secretary	
<b>AUTHOR(S):</b>	Click here to enter text.	
<b>STRATEGIC OBJECTIVES:</b>	<p><b>Which Objective(s)?</b></p> <ol style="list-style-type: none"> <li>To develop a well led, capable, motivated and entrepreneurial <i>workforce</i> <input checked="" type="checkbox"/></li> <li>To be ambitious and <i>efficient</i> and make the best use of available resource <input checked="" type="checkbox"/></li> <li>To deliver <i>safe</i> services <input checked="" type="checkbox"/></li> <li>To participate in high quality research and to deliver the most <i>effective</i> Outcomes <input checked="" type="checkbox"/></li> <li>To deliver the best possible <i>experience</i> for patients and staff <input checked="" type="checkbox"/></li> </ol>	
<b>LINK TO BOARD ASSURANCE FRAMEWORK (BAF):</b>	<p><b>Which condition(s)?</b></p> <ol style="list-style-type: none"> <li>Staff are not engaged, motivated or effective in delivering the vision, values and aims of the Trust..... <input checked="" type="checkbox"/></li> <li>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"/></li> <li>The Trust is not financially sustainable beyond the current financial year..... <input checked="" type="checkbox"/></li> <li>Failure to deliver the annual financial plan ..... <input checked="" type="checkbox"/></li> <li>Location, size, layout and accessibility of current services do not provide for sustainable integrated care or quality service provision ..... <input checked="" type="checkbox"/></li> <li>Ineffective understanding and learning following significant events..... <input checked="" type="checkbox"/></li> <li>Inability to achieve and maintain regulatory compliance, performance and assurance..... <input checked="" type="checkbox"/></li> <li>Failure to deliver an integrated EPR against agreed Board plan (Dec 2016) ..... <input checked="" type="checkbox"/></li> <li>Inability to deliver the best clinical outcomes for patients..... <input checked="" type="checkbox"/></li> <li>Potential for poorly delivered positive experience for those engaging with our services.. <input checked="" type="checkbox"/></li> </ol>	
<b>CQC DOMAIN</b>	<p><b>Which Domain?</b></p> <p><b>SAFE</b>- People are protected from abuse and harm <input type="checkbox"/></p> <p><b>EFFECTIVE</b> - 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><b>CARING</b> - the service(s) involves and treats people with compassion, kindness, dignity and respect. <input type="checkbox"/></p> <p><b>RESPONSIVE</b> – the services meet people's needs. <input type="checkbox"/></p>	

	<b>WELL-LED</b> - 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"/>	
	<b>ALL DOMAINS</b> <input checked="" type="checkbox"/>	
<b>LINK TO TRUST STRATEGY, PLAN AND EXTERNAL REQUIREMENT</b>	<b>1.</b> Trust Constitution <input checked="" type="checkbox"/> <b>2.</b> Operational Plan <input type="checkbox"/> <b>3.</b> NHS Compliance <input checked="" type="checkbox"/>	<b>4.</b> NHS Constitution <input checked="" type="checkbox"/> <b>5.</b> Equality and Diversity <input checked="" type="checkbox"/> <b>6.</b> Other: <a href="#">Click here to enter text.</a>
<b>FREEDOM OF INFORMATION (FOIA):</b>	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	
<b>RECOMMENDATION:</b> <i>(eg: The Board/Committee is asked to:-....)</i>	<b>The Board is asked to approve the FT4 submission for publication on the Trust website in accordance with the requirements of the Provider Licence.</b>	
<b>PREVIOUSLY CONSIDERED BY:</b>	<b>Committee name</b>	<i>Choose an item.</i> Or type here if not on list: <a href="#">Click here to enter text.</a>
	<b>Date of meeting</b>	<a href="#">Click here to enter a date.</a>

## 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 2019, 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 2018/19 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.

### Recommendation

The Board is asked to approve the FT4 submission for publication on the Trust website in accordance with the requirements of the Provider Licence

Corporate Governance Statement (CGS)

	Corporate Governance Statement <b>A</b>	Current arrangements <b>B</b>	Response <b>C</b>	Risks and mitigating actions <b>D</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.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• CQC inspection provided the Trust with a ‘good’ well led rating.</li> <li>• Review of NHSI Code of Governance – No Non Compliance with exception of the number of NEDs to executives for a period of 4 months due to the resignation of David Astley.</li> <li>• Membership of NHS Providers and the Company Secretary networks</li> <li>• Reviews of NHSI and other bulletins by the board and regular updates from the external auditors through the audit committee.</li> <li>• The Trust has an internal audit programme and assurance cycle.</li> <li>• 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.</li> </ul>	Confirmed	
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	<ul style="list-style-type: none"> <li>• Trust Secretary in post, identification of any changes in guidance.</li> <li>• Receipt and Review of regular updates from NHS Improvement</li> <li>• Membership of NW FT Company Secretary network and NHS Providers Company Secretary Network.</li> </ul>	Confirmed	

		<ul style="list-style-type: none"> <li>Regular communications from legal advisors and internal and external auditors.</li> </ul>		
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"> <li>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.</li> <li>Annual Governance statement provides the Board with assurance surrounding the responsibilities of the Board and its committees.</li> <li>Board approved terms of reference of Board Committees providing details of reporting lines, responsibilities and membership.</li> <li>Clear reporting lines within the Board, Executive and Divisions provided through the Trusts operational and corporate governance framework and Workforce strategies developed in line with Trust's Vision, Aims and Value's</li> <li>The trust's has recently revised its divisional structure, resulting in Maternity, Neonatal, Gynaecology, Theatres, Fertility, Genetics, and all other clinical support services being restructured within three main clinical divisions. The key objective of the new structure is to: maintain and improve safety, experience and effectiveness for our patients; create simplified structures where accountability and responsibility is clear; strengthen divisional management teams with medical, operational and nursing/midwifery leaders having clear, shared objectives; simplify divisional reporting and meeting requirements in response to your feedback regarding</li> </ul>	Confirmed	

		<p>the demands of servicing the current organisational structure; and improve divisional governance processes, ensuring a clear line of sight from 'ward to board'. The new structure was formally implemented with effect from Monday 3rd December 2018 with a transitional phase for full implementation on 1 April 2019. The three clinical divisions are: Division of Family Health - Comprising the Maternity and Neonatal directorates; Division of Gynaecology - Comprising the Gynaecology and Hewitt Fertility Centre directorates; and Division of Clinical Support Services - Comprising Pharmacy, Therapies, Theatres, Genetics, all other clinical support services, as well as the Administration and Access Centre. Each Division is led by Clinical Director(s), Head of Nursing/Midwifery and a Divisional Manager and report to the executive team through a newly constituted Trust Management Group.</p>		
4	<p>The Board is satisfied that the Trust effectively implements systems and/or processes:</p> <p>(a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;</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 Trust had received an external audit opinion arising from ongoing deficits and an ongoing requirement for distressed financing. However, the Trust is deemed to be a going concern and plans to receive ongoing cash support from the Department of Health and Social Care. The Trust has agreed a break-even control total for 2019/20 and</p>	Confirmed	<p>The Trust had received an external audit opinion arising from ongoing deficits and an ongoing requirement for distressed financing. However, the Trust is deemed to be a going concern and plans to receive ongoing cash support from the</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 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>expects to have the resources to deliver services for the following 12 months. 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 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>Department of Health and Social Care. The Trust has agreed a break-even control total for 2019/20 and expects to have the resources to deliver services for the following 12 months.</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>(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 requirements.</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 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.</p>		
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>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>	Confirmed	

<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>(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</p>	<p>b) Quality of care fully integrated within all planning and decision-making processes.</p> <p>c) (and d) Performance, integrated governance 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/ Staff 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.</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 (integrated governance report). There is active engagement between the Board and the Council of Governors (CoG) - Board members attend all CoG meetings and Council Group meetings.</p> <p>f) Escalation of reporting embedded in the Trust. Systems in place to allow for escalation to the Board as required</p>		
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	and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.	through the integrated operational and corporate governance structures.		
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.	<p>Constitution sets out required numbers and qualifications for Board members.</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• The NEDs provide challenge and scrutiny through attendance at Board and Board Committees regarding appropriate staffing levels.</li> <li>• Through use of board assurance framework and risk management Strategy at Board, Board Committees and Sub Committees and Groups within the Trust Governance Structure</li> <li>• The financial and operational plan includes details on transformation and HR requirements including mitigation of risks associated with future workforce requirements.</li> </ul>	Confirmed	

**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	<b>Training of Governors</b>			
	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	Confirmed	

		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.		
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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

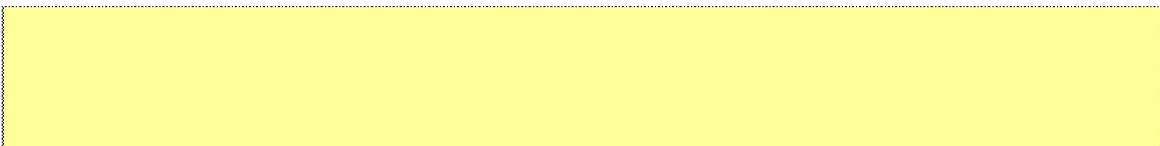
<p>1 The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.</p>	Confirmed	(including where the Board is able to respond 'Confirmed')	Please complete Risks and Mitigating actions
<p>2 The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time</p>	Confirmed	(including where the Board is able to respond 'Confirmed')	Please complete Risks and Mitigating actions
<p>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.</p>	Confirmed		Please complete Risks and Mitigating actions
<p>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</p>	Confirmed	<p>The Trust had received an external audit opinion arising from ongoing deficits and an ongoing requirement for distressed financing. However, the Trust is deemed to be a going concern and plans to receive ongoing cash support from the Department of Health and Social Care. The Trust has agreed a break-even control total for 2019/20 and expects to have the resources to deliver services for the following 12 months.</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>	Please complete Risks and Mitigating actions
<p>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.</p>	Confirmed		Please complete Risks and Mitigating actions
<p>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.</p>	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

# Worksheet "Training of governors"

## 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 16 May 2019

Signature



Name Kathryn Thomson

Capacity Chief Executive

Date 16 May 2019

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

A: