

Report Title	Board Governance Report
Author (name and title)	David O'Brien, Director of Corporate Services and Company Secretary
Accountable Director	David O'Brien, Director of Corporate Services and Company Secretary
Previous committees/groups	None
Recommended action(s) Approval, Assurance, Information	Information
Purpose of the paper	This report provides an update on issues and developments relating to Board governance.
Recommendation(s)	The Board notes the developments in Board governance outlined in this report.

Executive Summary

<p>This report provides an update on issues and developments relating to Board governance, as follows:</p> <ol style="list-style-type: none">1. An update on the Trust Establishment Order2. Recruitment to Non-Executive Director positions.3. The Board Development Programme4. Committee Reporting to the Audit and Risk Committee5. CQC Readiness Preparations6. Forthcoming Internal Audit Reviews relating to Board Governance

Strategic ambition(s) this supports. Provide brief bullet point details of link to Trust strategy.	Our Patients	All priorities
	Our People	All priorities
	Our Partners	All priorities
	Our Planet and Pounds	All priorities
Link with the BAF (board and level 2 committees only)	Include reference number. Board governance has implications for all strategic risks	

Board of Directors (in Public)
26 September 2024
Board Governance Report
Director of Corporate Services and Company Secretary

1. INTRODUCTION

- 1.1 This report provides an update on issues and developments relating to Board governance.

2. BOARD GOVERNANCE UPDATES

2.1 Trust Establishment Order: Board of Directors

- 2.1.1 The Trust is awaiting approval of its new Establishment Order from the Department of Health and Social Care (DHSC). When approved, this new Establishment Order will increase the number of Non-Executive positions on the Board of Directors from six (Chair plus five) to seven (Chair plus six).
- 2.1.2 The Trust originally requested a corresponding increase in the number of Executive positions, from five to six (bearing in mind that the Board of Directors must always contain a majority of Non-Executive positions). However, DHSC has advised that as YAS is not a Foundation Trust it is permitted to have no more than five Executive positions as voting members of its Board of Directors.
- 2.1.3 Final Ministerial approval for the new Establishment Order to increase the number of NEDs remains outstanding. This has been delayed by the general election and subsequent change in government. The latest advice from DHSC is that the Trust 'should not expect' Ministerial approval until November at the earliest.

2.2 Recruitment: Non-Executive Positions

- 2.2.1 During October the Trust will commence the recruitment process for Non-Executive positions. Initially this will be for at least one full Non-Executive Director (to and up to two Associate Non-Executive Directors to fill development roles as part of the Board's succession planning).
- 2.2.2 Ideally the Trust would use this process to recruit to a second full Non-Executive Director role to fill the additional position created by the change to the Trust's Establishment Order (2.1 above). However, the Trust has been informed by NHS England that recruitment can only be to current established positions, and so until DHSC confirms the new Establishment Order the Trust cannot recruit to this position.
- 2.2.3 As this Trust is not a foundation trust the NHS England senior appointments team takes a prominent role in the recruitment to Non-Executive Director positions. In

addition, the Trust is engaging with the West Yorkshire ICB team which supports Non-Executive Director recruitment and development, and this is expected to include participation in a virtual recruitment event with prospective candidates.

- 2.2.4 The Trust has expressed an interest in hosting a participant in the Insight Programme for aspirant Non-Executive Directors run by Gatenby Sanderson.

2.3 Board Development Programme

- 2.3.1 The programme of Board development supported by Integrated Development Ltd will resume this autumn. The next development day is scheduled for 14 November. The content of that day is yet to be determined.
- 2.3.2 Integrated Development Ltd will be attending the Board of Directors meetings on 26 September in an observer capacity.

2.4 Committee Reporting: Audit and Risk Committee

- 2.4.1 The Terms of Reference of assurance committees requires these bodies to submit an assurance report to the Audit and Risk Committee regarding the management of those strategic and corporate risks that fall within their respective remit. The reports submitted by each respective committee have evolved and diverged over time such that their format and content are not consistent.
- 2.4.2 The Director of Corporate Services and Company will work with the Chair of the Assurance and Risk Committee and the Chairs of the other assurance committees to develop an agreed standard format for these reports. The new format will be in place in time for the next round of reporting to the Audit and Risk Committee meeting on 12 November 2024.

2.5 CQC Readiness Preparations

- 2.5.1 The Trust has produced a guidance booklet to help staff to prepare for a potential CQC inspection. Copies of the booklet are available to Board members.
- 2.5.2 In addition, the Trust's procurement team is supporting the work to engage a supplier to conduct an external review of the Trust's Well-Led arrangements. An update and proposal will be presented to the Board on 24 October.

2.6 Internal Audit Reviews

- 2.6.1 During the next three months there will be three internal audit reviews that relate to aspects of Board governance. These are:
- Board Assurance Framework.
 - Compliance with the Fit and Proper Person Test.
 - Compliance with the NHS Code of Governance.

2.6.2 The fieldwork for one or more of these internal audit reviews will include engagement with Board members. In particular, the review of the Board Assurance Framework will involve:

- An online survey of Board members.
- Internal audit observation of a Finance and Performance Committee meeting.
- Internal audit observation of a Board of Directors meeting (28 November).

3. FINANCIAL IMPLICATIONS

3.1 This report has no direct financial implications.

3.2 Procurement of a Well-Led external review will have a cost implication which could generate a cost pressure for 2024/25.

4. RISK

4.1 Failure to develop and maintain effective Board governance arrangements for the Trust would present risks relating to strategic leadership capacity and capability, compliance with regulatory frameworks and codes (CQC Well-Led Framework, NHS Code of Governance, NHS Provider License), and reputation.

5. NEXT STEPS

5.1 Recruitment to Non-Executive Board positions will commence in October.

5.2 A standard format for committee reports to the Audit and Risk Committee will be developed and put in place for the Audit and Risk Committee on 12 November.

5.3 The Board will receive an update on the procurement of an external Well-Led review at its meetings on 24 October.

5.4 Internal audit reviews of the Board Assurance Framework, Fit and Proper Person compliance, and NHS Code of Governance compliance will commence during October.

6. RECOMMENDATIONS

6.1 The Board notes the developments in Board governance as outlined in this report.

David O'Brien
Director of Corporate Services and Company Secretary

September 2024