

NHS COMMISSIONING BOARD AUTHORITY

GOVERNANCE STRUCTURE AND BOARD ARRANGEMENTS

Background

1. The NHS Commissioning Board Authority was legally established on 31 October 2011. It has been set up as a Special Health Authority (SpHA) under the auspices of the NHS Act 2006. Secondary legislation was passed to this effect, in the form of an Establishment and Constitution Order and related Regulations.
2. The Authority's functions will be limited, with a focus on preparation for the longer-term establishment of the NHS Commissioning Board and the development of the future commissioning system, subject to passage of the Health and Social Care Bill. These functions have been set out in the Secretary of State's Directions to the Authority.
3. As set out in *Developing the NHS Commissioning Board*, the purpose of the board of the NHS Commissioning Board Authority (and of the NHS Commissioning Board in the longer-term) is to ensure effective corporate governance consistent with Nolan Principles, to hold the organisation's executives to account, and to contribute to successful external relationships.

Values and culture

4. From its inception, the NHS Commissioning Board Authority should develop a clear set of values and a distinct culture. Fostering the right culture and behaviours will take time and will require the involvement of the Authority's leaders, staff and others. There are particular features that should characterise the Authority's culture. These include:
 - A clear sense of purpose focused on improving quality and outcomes.
 - A commitment to putting patients, clinicians and carers at the heart of decision-making.
 - An energised and proactive organisation, offering leadership and direction.
 - A focussed and professional organisation, easy to do business with.
 - An objective culture, using evidence to inform the full range of its activities.
 - A flexible organisation, promoting integration, working across boundaries and performing tasks at the right level, whether national or local.

- An organisation committed to working in partnership to achieve its goals, in particular developing an effective and mutually supportive relationship with clinical commissioning groups.
- An open and transparent approach, sharing information freely wherever appropriate.
- An organisation with clear accountability arrangements and a grip on those things for which it will be held to account.

Role of the Board

5. The role of a board in ensuring effective corporate governance is characterised in *The Healthy NHS Board: Principles for Good Governance* as having three dimensions: formulating strategy, ensuring accountability and shaping culture. To fulfil this role, the board must draw on contextual information, system intelligence and engagement with patients, the public and other stakeholders.

Membership

6. The membership of the board is subject to requirements set out in the SpHA Establishment and Constitution Order, which specifies “the Authority is to consist of –
 - a. a chairman;
 - b. members who are officers of the Authority, including the Chief Executive; and
 - c. at least five other members who are not officers of the Authority in addition to the chairman”

and that “the number of members who are officers of the Authority must be less than the numbers of members who are not such officers.”
7. Subject to board-level agreement, it is proposed that the membership of the board and its committees will be:
 - Board:
 - Voting members
 - Chair
 - 5 Non-Executive Directors (NEDs)
 - Chief Executive
 - Executive Directors - Medical Director, Chief Nursing Officer and Finance Director
 - Non voting members
 - Executive Directors - Chief Operating Officer, National Director: Commissioning Development, National Director: Patient and Public Engagement, Insight and Informatics, National Director: Improvement and Transformation, National Director: Policy, Corporate Development and Partnership

and Chief of Staff

- Others as attendees when requested;
- Audit Committee: Not fewer than two NEDs which will include a Chair appointed by the Secretary of State for Health. The Authority's Chair shall not be one of these directors, although they can be required to attend meetings where the issues discussed are relevant to the whole Board or to the Chair directly. The Committee shall be quorate providing there are two members present;
- Remuneration Committee: Chair, NEDs; Chief Executive and Chief of Staff as attendees when requested.

Governance arrangements

8. The NHS Commissioning Board Authority will have three components to its corporate governance structure: a board, an audit committee and a remuneration committee. To this end, an independent Chair and up to five Non-Executive Directors are currently being recruited by the DH (with support from the Appointments Commission), and will be appointed by the Secretary of State. Already appointed are the Chair, one NED (Audit Committee chair) and the Chief Executive
9. The NHS Commissioning Board Authority will have streamlined governance arrangements that reflect its limited functions but that enable it to discharge its responsibilities effectively, efficiently and transparently, in accordance with good governance standards.
10. The Authority's governance arrangements are encapsulated in the following documents, which are attached as appendices to this paper:
 - Matters reserved to the Board.
 - Ways of working (incorporating Standing Orders).
 - Standing financial instructions.
 - Scheme of delegation.