NHS England Board meetings

Paper Title: Revised NHS England Board Governance Framework

Agenda item: 9 (Public session)

Report by: Richard Meddings, Chair of NHS England

Paper type: For information

Organisation Objective:

NHS Mandate from Government	☐	Statutory item	☐
NHS Long Term Plan	☐	Governance	☒
NHS People Plan	☐		

Executive summary:

This paper outlines the revised NHS England (NHSE) Board Governance Framework implemented on 1 February 2023.

Action required:

Board members are asked to note the Board Governance Framework, in particular the establishment of a Cyber Security and Risk Sub-Committee of the Audit and Risk Assurance Committee and the Data, Digital and Technology Committee to ensure robust oversight of functions transferred from NHS Digital (NHSD) to NHSE.

Background

1. Work has been carried out to consider the changes required to NHS England's (NHSE's) Board Governance Framework to incorporate NHSD functions that transferred to NHSE on 1 February 2023 and support the overall approach to a safe transfer of operations and governance.

2. This review considered the duties and functions of the Boards and Committees of NHSD, as set out in the terms of reference and summaries of recent business considered by these committees and mapped these functions and duties to the existing functions of NHSE's committees. Gaps and new and novel functions identified in this review informed necessary changes to the current Board and committee structure.

3. Following engagement with the NHSD and NHSE Boards, the New NHS England Committee and the Data, Digital and Technology Advisory Group, the agreed NHSE Board Governance Framework implemented from 1 February 2023 is set out in Annex A and the remit of the Board and Board Committees is summarised below.

NHS England Board

4. The Board provides strategic leadership to the organisation. This includes setting the strategic direction, overseeing delivery of the agreed strategy,

determining the approach to risk, and establishing the culture and values of the organisation. It has the following powers and responsibilities:

- sets the strategy and overall direction of NHS England, within the context of the NHS Mandate;
- oversees the effective delivery of healthcare for the public now and into the future;
- ensures the effective running of NHS England as a well-run and improving organisation, approving the internal business plan which is designed to support achievement of NHS England's strategic objectives, and monitors NHS England's performance against it;
- supports NHS planning activity and development of the NHS planning guidance to drive improvement and support achievement of the objectives for the NHS;
- holds the NHS Executive to account for this performance and for the proper running of the organisation (including operating in accordance with legal and government requirements);
- determines which decisions it will make and which it will delegate to committees, the Executive or employees of NHS England via the Scheme of Delegation;
- ensures high standards of corporate governance and personal conduct;
- monitors the performance of the organisation and the NHS against core quality, financial and operational objectives;
- provides effective financial stewardship;
- promotes effective dialogue between NHS England, its partners, Integrated Care Boards (ICBs) and providers of healthcare, and communities served by the commissioning system;
- balances the need for effective short term delivery with maintaining clear sight of the long term direction and strategic choices; and
- makes material prioritisation choices within the funding parameters of DHSC's Mandate to NHS England.

Board Committees

5. The Board has established the following committees (standing and time-limited) to oversee specific areas of work on its behalf. The composition, terms of reference and reporting requirements of such committees are approved by the Board and reviewed when circumstances dictate and routinely in the annual Board effectiveness exercise.

- **Audit and Risk Assurance Committee (ARAC)**
  The ARAC meets five times per year and reviews and monitors the integrity of the financial statements, financial and regulatory compliance, the systems of internal and control and the external and internal audit process.

  The Committee is made up of at least three NHSE NEDs and the Chair of DHSC's Audit Committee (non-voting).

- **Cyber Security and Risk Sub-Committee**
  The Sub-Committee, which will meet four times per year, forms a core part of NHSE's internal control and risk management system, providing

assurance to the Board, through ARAC, on cyber security and insider threats.

The membership includes at least one NED member from ARAC and external subject matter expert (SME) members. The Chief Information Officer (CIO), Executive Director for Cyber Security, National Chief Information Security Officer for Health and Social Care and external representatives from the Cabinet Office, National Cyber Security Centre and the Centre for the Protection of National Infrastructure will also attend.

- **Data, Digital and Technology Committee**
  The Data, Digital and Technology Committee, which will meet six times per year, considers and makes recommendations on digital and technology strategy (including cyber strategy) to the NHSE Board and oversees implementation. It advises on development of data and technology architecture and assures the Board on discharge of data functions, including overseeing and scrutinising how the functions are exercised and the steps taken by NHSE to follow the Statutory Guidance and protect confidential information.

  The membership includes the NHSE Chair, at least two NHSE NEDs, external subject matter expert (SME) members, the National Director of Transformation, Chief Operating Officer (COO), Chief Strategy Officer, CIO and the Head of the NHSE/DHSC Digital Policy Unit.

- **Quality Committee**
  The Quality Committee meets five times per year and objectively reviews quality, to ensure continued improvements to patient care, experience and safety. The Committee provides assurance that NHSE ensures continued improvements in quality of services and outcomes in relation to the safety of services, patient care and experience. Membership will include a number of Patient and Public Voice members.

  The Committee is made up of at least three NHSE NEDs, the National Medical Director, COO, Chief Nursing Officer, National Director for Primary Care and Community Services, Medical Director for Secondary Care and Transformation, National Director of Patient Safety, Deputy Chief Nursing Officer (Safety & Improvement), and up to four Patient and Public Voice members.

- **People and Remuneration Committee**
  The People and Remuneration Committee, which meets five times per year, oversees the delivery of the overall workforce strategy for the NHS, ensures there is a single coherent remuneration policy for NHSE and approves remuneration for senior executives, as well as overseeing appointment and remuneration matters for Integrated Care Boards and trusts.

  The membership includes at least three NHSE NEDs, including the NHSE Chair. The Chief Executive Officer (CEO), Chief Workforce Officer, Chief Delivery Officer (CDO), National Director for People and Director of Human

Resources and Organisational Development regularly attend these meetings.

- **Nominations Committee**
  The Nominations Committee meets three times per year and oversees succession plans for the Board and senior management, Board composition and Board evaluation.

  The membership includes the NHSE Chair, the Deputy Chairs, one or more NHSE NEDs and the CEO.

- **The New NHS England Committee**
  This is a time-limited committee which meets monthly to oversee the work of the 'new NHS England' organisational change programme, including ensuring NHS England meets its duties as a receiving organisation of employees and functions from NHSD and Health Education England.

  The membership includes the NHSE Chair, Deputy Chairs, one or more NHSE NEDs, the CEO, CDO and Chief Financial Officer (CFO).

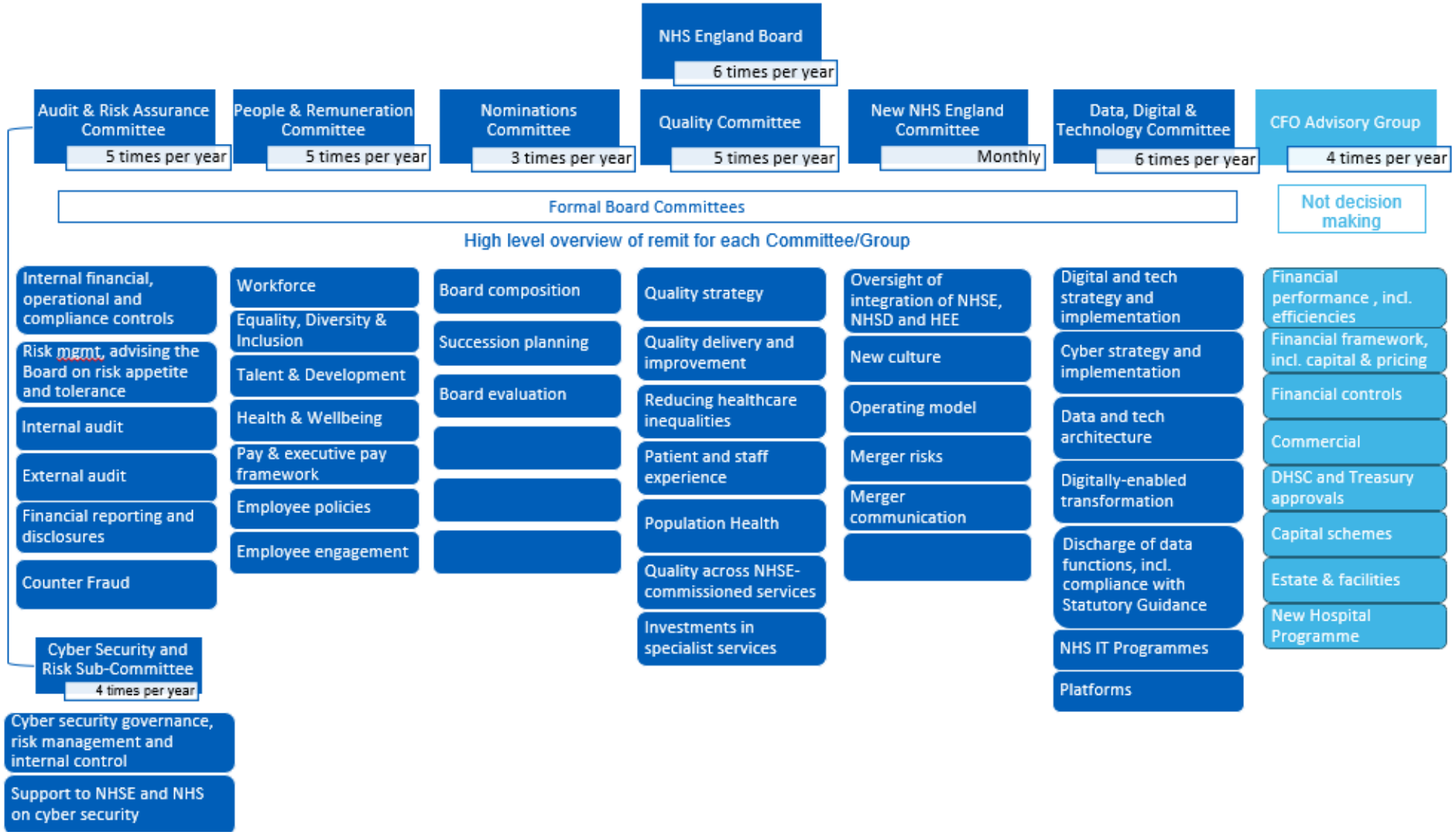
- **CFO Advisory Group**
  The CFO Advisory Group meets four times per year and provides advice to the Chief Financial Officer and other senior executives in carrying out their responsibilities in respect of significant financial matters, the central commercial function, estates and facilities and New Hospital Programme

  The Group is comprised of at least three NHSE NEDs, including the NHSE Chair, the CFO, CEO, Deputy Chief Financial Officers, Chief Commercial Officer, Director of Financial Planning and Delivery and Director of Strategic Financial Planning.

Next steps

6. The next phase of this work will look at the additional changes required to NHSE's Board Governance Framework to support the merger of Health Education England and NHSE on 1 April 2023.

ANNEX A – Board Governance Framework



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Matters reserved to the Board	Key methods of assurance to the Board
Sets and oversees the strategy and overall direction of NHS England, within the context of the NHS Mandate	At each meeting, review of progress against key KPIs agreed by the Board, operational performance report and the Integrated Performance Pack (including reporting on digital clinical governance and Live Services) and an update on financial performance of the NHS
Oversees the effective delivery of healthcare for the public now and into the future	Corporate risk register, received biannually
Ensures the effective running of NHS England, approves the internal business plan, associated budget allocations and timing of funding to support achievement of NHS England's strategic objectives and monitors NHS England's performance against plan.	Corporate health report from the Executive Corporate Group on how the organisation is meeting the standards of the 'well-run and improving' framework, including information on performance of NHS England patient facing services and corporate functions (FOI, complaints) as well as estates, headcount, wellbeing, received biannually
Supports NHS planning activity and development of the NHS planning guidance to drive improvement and support achievement of the objectives for the NHS	Mandate Assurance Report, received annually
Holds the NHS Executive to account for performance and the proper running of the organisation (including operating in accordance with legal and government requirements)	Summary output reports from the Board committees to each private Board meeting
Determines which decisions it will make and which it will delegate to committees, the Executive or employees of NHS England via the Scheme of Delegation	Ad hoc exception reports escalated from teams and committees, as appropriate
Ensures high standards of corporate governance and personal conduct	Assurance that NHS England's governance, internal controls and risk management systems are effective and on the integrity of the financial statements from ARAC
Monitors the performance of the organisation and the NHS against core quality, financial and operational objectives	Assurance on areas concerning patient safety, quality of care to patients and patient experience from the Quality Committee
Provides effective financial stewardship, including approval of annual report and accounts	Regular independent report on the discharge of the data function in line with Statutory Guidance, via the Data, Digital and Technology committee
Promotes effective dialogue between NHS England, its partners, Integrated Care Boards (ICBs) and providers of healthcare and communities served by the commissioning system	Twice-yearly technology and data investment report linked to the business plan, via the Data, Digital and Technology committee
Establishes a balance between effective short term delivery whilst maintaining clear sight of the long term direction and strategic choices; and makes material prioritisation choices within the funding parameters of DHSC's Mandate to NHS England	Assurance on Cyber Security via ARAC (standing item on each ARAC agenda)
Oversees risk appetite of the organisation and the system of internal control and risk management	
Takes investment decisions for high value (>£50m) and/or novel, contentious and/or high risk business cases*	