

NHS England Board meeting

Paper Title: Revised NHS England Governance Manual and Board Governance Framework

Agenda item: 7 (Public session)

Report by: Richard Meddings, Chair of NHS England
Katie Neumann, Head of Board Governance

Paper type: For approval

Organisation Objective:

NHS Mandate from Government	<input type="checkbox"/>	Statutory item	<input type="checkbox"/>
NHS Long Term Plan	<input type="checkbox"/>	Governance	<input checked="" type="checkbox"/>
NHS People Plan	<input type="checkbox"/>		

Executive summary:

This paper outlines the changes made to the NHS England (NHSE) Governance Manual documents and the Board Governance Framework to be implemented from 1 April 2023.

Action required:

The Board is asked to approve the changes to the Standing Orders, Scheme of Delegation and Standing Financial Instructions, which form the Governance Manual, and the proposed establishment of the Workforce Training and Education Committee to ensure robust oversight of functions transferred from Health Education England (HEE) to NHSE.

Background

1. Work has been carried out to consider the changes required to NHSE's Governance Manual and Board Governance Framework to incorporate HEE functions that will transfer to NHSE on 1 April 2023 and support the overall approach to a safe transfer of operations and governance.
2. This work considered changes required to the NHSE Governance Manual in response to the transfer. It considered changes to the statutory framework and the duties and functions of the Board and Committees of HEE, as set out in the terms of reference and summaries of recent business considered by these committees. These duties and functions were mapped to the existing functions of NHSE's committees, with gaps informing the proposed changes to the Governance Manual and current Board and committee structure.

Standing Orders

3. The Standing Orders (SOs) set out the rules of procedure which govern the NHS England Board. Approval is sought for the following amendments made in the

SOs (attached as Annex A), based on Governance and Legal team review. This includes amends to existing content for accuracy and revisions in light of the transfer of NHS Digital on 1 February and upcoming transfer of Health Education on 1 April, namely:

- Updates to the Statutory Framework (SO1.3 and relevant updates to legislative references throughout);
- Updates to the list of hosted organisations to include the NHS Leadership Academy and remove reference to devolution arrangements (SO2.1.1);
- Revisions to the defined terms to ensure accurate application and reference through the SOs (SO3.2 and relevant changes to terms used throughout);
- The Board's operation as a unitary board, and Members' corresponding role as part of this (SO4.8.1);
- Remove reference to the Chair's delegated executive powers, as this does not apply (SO4.8.1.5);
- Clarification that the standard set for the circulation of meeting agendas and papers applies to the Board, Committees and Sub-Committees (SO5.3.1);
- Correction to the requirements for approval of items in correspondence to align with the quorum for Board meetings (SO5.8.1);
- Updates to the list of Board Committees to reflect the Board Governance Framework from 1 April 2023 (SO6.8.1);
- Amendments in relation to the delegation of NHS England's functions (SO7.1);
- Removal of detailed information on declarations of interest which is covered in the linked Standards of Business Conduct Policy (SO8.1.2); and
- Updates to the process for accepting legal proceedings (SO10.1).

Scheme of Delegation

4. The Scheme of Delegation (the Scheme) (attached at Annex B, appendix to the Scheme shared separately by email) sets out the arrangements for the delegation of functions within NHS England, as approved by the Board.
5. The Scheme was reviewed and updated by the Governance and Legal teams in preparation for the merger between NHSE and HEE on 1 April 2023. Changes include updates to the status of provisions, changes in organisational structure and corresponding delegation of functions, new functions transferring to NHSE from HEE on 1 April 2023, and corrections to statutory references and summary of functions where relevant. Changes are tracked in the introductory policy and are highlighted in green in the annex to the Scheme.
6. The revised Scheme was shared with national and regional colleagues for review, including the NHS Executive and colleagues from HEE, and the comments received are reflected in the revised version.

Standing Financial Instructions

7. The Standing Financial Instructions (SFIs) (attached at Annex C) are designed to ensure that NHS England's financial transactions are carried out in accordance

with the law and Government policy to achieve probity, accuracy, economy, efficiency, and effectiveness.

8. These Standing Financial Instructions identify the financial responsibilities that apply to everyone working for NHS England and have been updated with minor amendments following consultation with NHSD, HEE and NHSE colleagues within finance, commercial and legal functions. They have been approved by the Chief Financial Officer and endorsed by the NHSE Audit and Risk Assurance Committee on 24 February 2023.
9. The main points to note for the SFIs are:
 - There are one set of limits for the combined NHSE, NHSD and HEE organisation, with the limits the same as previous NHSE limits;
 - Removal of the reference to budget holder letters, as assurances at budget holder level can be gained via other internal controls; and
 - The limits have been reviewed for suitability.

Workforce, Training and Education Committee

10. Following engagement with the NHSE and HEE Chairs and Chief Executives and other members of the organisations' Executive teams, it is proposed that a Workforce, Training and Education Committee (WTEC/the Committee) should be established from 1 April 2023 to support the exercise of the duties and powers of the NHSE Board and its responsibilities in relation to workforce, training and education. In particular, the Committee will:
 - Have oversight of all functions which ensure the NHS in England has a sufficient and inclusive workforce and the knowledge, skills, values and behaviours to deliver compassionate, high quality health and care to the people it serves. The Committee's work plan will ensure that the functions above are aligned to and delivering the Long Term Workforce Plan and vision for Workforce, Training and Education (WT&E) within NHS England: *more people, working differently, in a compassionate and inclusive culture.*
 - Provide the Board with assurance on the management of principle system workforce risks, as reflected in the NHS England Corporate Risk Register. In doing so they will provide effective scrutiny and oversight of national and regional work to meet NHS England's statutory duty to ensure and improve the quality of clinical education and training, ensuring that a culture of continuous improvement is developed.
 - Seek assurance that equality, diversity and inclusion (EDI) is the concern of every team and function, that it is mainstreamed in NHS England's business and that no decision is taken without an EDI lens.
11. The Committee will be Chaired by Sir David Behan, NHSE Non-Executive Director (and Chair of HEE) and the membership will include at least two other NHSE Non-Executive Directors, and three external subject matter expert members. In addition, a number of Executive colleagues will regularly attend and report to the Committee.

12. Changes are also required to the remit of the existing NHSE People and Remuneration Committee (PRC) in light of the establishment of the WTEC to ensure an appropriate and clear separation of roles and responsibilities. In line with this, the PRC Terms of Reference (ToR) are being revised to reflect that the Committee will:

- ensure that NHS England as an employer has appropriate people and workforce strategies in place and is delivering these;
- provide assurance to the Board on the management of principle people and workforce risks, relevant to NHS England, and oversee all aspects of strategic people management and organisational development for NHS England as an employer; and
- oversee and determine appointment and remuneration matters in respect of NHS England employees, integrated care boards (ICBs) and NHS trusts.

Next steps

13. Subject to the Board's approval:

- the Governance Manual documents will be finalised and published on NHS England's website; and
- the draft WTEC and PRC ToR will be finalised and submitted to the Board for approval in the coming month.