

Meeting	Trust Board
Date of meeting	12 March 2020
Paper number	Enc F7

Going Concern paper 2019/20

For approval:	x	For discussion:		For assurance:		To note:	
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Accountable Director	Robert D Toole – Chief Finance Officer		
Presented by	Robert D Toole, Chief Finance Officer	Author /s	Katie Osmond, Assistant Director of Finance. Lynne Walden – Head of Financial Planning and Financial Services Marie Hall – Deputy Head of Financial Services

Alignment to the Trust's strategic objectives							
Best services for local people		Best experience of care and outcomes for our patients		Best use of resources	x	Best people	

Report previously reviewed by		
Committee/Group	Date	Outcome
Trust Management Executive	19 February 2020	Endorsed
Finance and Performance Committee	25 February 2020	Endorsed

Recommendations	The Board is requested to endorse the Chief Finance Officer's recommendation that the Trust is a going concern (in line with published guidance), despite the significant cash requirement within the 2020/21 draft financial plan.
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Executive summary	<p>The concept of “going concern” is one of the fundamental principles underpinning the accounting regime used in preparation of our financial statements. Essentially it means the Directors believe we have the resources in place to remain viable for the foreseeable future. Directors should consider the specific events, conditions and factors that individually or collectively, might cast significant doubt on the going concern assumption.</p> <p>We must comply in the preparation of our annual accounts to the NHS Group Accounting Manual (GAM) which includes a section on going concern. This has been included in Appendix 1 for information.</p> <p>We face a range of risks and operate in a challenging financial environment. The Board reviewed the year end forecast and at month 9, committed to delivery of the planned in year deficit for 2019/20 of £(82.8)m. There remain risks to delivery of this forecast.</p>
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We have accessed £65.4m of revenue deficit support as at the end of January 2020. Given the cash balance is currently positive, and capital cash is expected to be received in March in advance of invoices being due for payment, no further revenue loan support is assumed within 2019/20 although it will be required in April 2020.

2019/20 is the 7th consecutive year in which the Trust has not achieved it's in year breakeven duty. We have been in a cumulative deficit for over 10 years. This continued breach is expected to result in the requirement for a further referral by the external auditor to the Secretary of State. In the NHSI breakeven duty guidance April 2018 an auditors responsibilities are defined as follows:

“The external auditors of NHS trusts have responsibilities under section 30 of the Local Audit and Accountability Act 2014 to report on unlawful matters by issuing a referral to the Secretary of State. External auditors are also required to follow the Comptroller and Auditor General’s Code of Audit Practice, issued by the National Audit Office (NAO), and have regard to the accompanying auditor guidance notes (AGNs). These are available on the NAO website and AGN07 explains the auditor’s responsibilities for reporting. Auditors generally consider a trust’s failure to meet the breakeven duty requirements to be an unlawful matter requiring a referral to the Secretary of State.”

The primary risk to us remaining a going concern is the financial deficit and resultant shortfall in cash to discharge our liabilities.

The 2020/21 draft financial plan, as developed through the ICS 5 year planning process, assumes a deficit in the region of £(82.4)m (prior to FRF / MRET) which exceeds the notified Financial Improvement Trajectory. We would not be eligible to access the Financial Recovery Fund. There is a requirement for £82.4m cash to support this deficit position assuming the final financial plan remains consistent. In addition, during 2020/21 there is a requirement to repay £164.8m principal of existing revenue loans which includes the deferred principal repayments of £105.9m from 2019/20. We will continue to work with the Department of Health and Social Care (DHSC) to seek a sustainable resolution to the existing loan financing, and mitigate in year repayment dates. Without ongoing access to cash support the Trust would not be able to fully meet their net liabilities.

Access to cash support remains through monthly requests to the DHSC in line with the standard NHSI process. To date all requests that have been made in line with national policy have been approved. As such, we have no reason to assume that this support will cease to be made available to us, or that the terms on which cash is provided would change. We are actively engaging with NHSI and the

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	<p>capital/cash team to proactively manage this risk.</p> <p>On the balance of assessment of the various risks, opportunities and uncertainties, the Chief Finance Officer recommends that the Trust considers itself to be a going concern in line with published guidance.</p>
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Risk					
Key Risks	<p>BAF Risk 6 - <i>If we are unable to resolve the structural imbalance in the Trust's income and expenditure position THEN we will not be able to fulfil our financial duties RESULTING IN the inability to invest in services to meet the needs of our patients.</i></p> <ul style="list-style-type: none"> • Risk 4099 – achievement of the in-year financial plan / stretch target – current rating 20 • Risk 3768 – cash availability to support operational activities – current rating 16 				
Assurance	<p>Access to cash to discharge our liabilities is pro-actively managed. To date the national financing regime has provided the financing support required and we have no indication that this will cease to be the case going forward.</p>				
Assurance level	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">Significant</td> <td style="width: 25%;"></td> <td style="width: 25%;">Moderate</td> <td style="width: 25%;"></td> </tr> </table>	Significant		Moderate	
Significant		Moderate			
Financial Risk	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;">Limited</td> <td style="width: 25%;"></td> </tr> </table>			Limited	
		Limited			

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Introduction/Background

Accounting standard IAS1, *Presentation of Financial Statements*, requires each year as part of the accounts preparation process, that management makes an assessment of the entity's ability to continue as a going concern. The Treasury's Financial Reporting Manual (FRoM) interprets the requirements set out in IAS1 as:

- *The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents is normally sufficient evidence of going concern.*
- *Where a body is aware of material uncertainties in respect of events or conditions that cast significant doubt upon the going concern ability of the entity, these uncertainties must be disclosed. This may include for example where continuing operational stability depends on finance or income that has not yet been approved.*

The Going Concern Assessment is primarily derived from the historical financial position of the Trust, with an assessment of the future risks, opportunities and uncertainties, including for example any:

- Financial conditions
 - Historic financial performance – for example: net liabilities; substantial operating losses; or the breach of one or more statutory financial duties
 - Future financial plan – for example: significant deficit; or the need for significant financial support
 - Cost Improvement/Efficiency savings – for example: risk assessed delivery; or dependence on significant unidentified cost improvements
 - Liquidity and ability to meet liabilities
 - Borrowing – for example: reliance on short term borrowing; fixed-term borrowing approaching maturity without realistic prospects of renewal or repayment; or access to borrowing
- Operating conditions
 - Change in management structures
 - Change in commissioned services
- Risk of non-compliance with Terms of Authorisation

Issues and options

We have developed the 2020/21 operational and financial plan, aligned to the Herefordshire and Worcestershire 5 year plan, and which will form year one of our Medium Term Financial Plan.

Our operational and financial plan includes an assumption of the ongoing provision of services. The plan includes the following:

- We are a key partner in the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP) / Integrated Care System (ICS) which sets out the vision for healthcare services in the two counties in the medium term.
- We will enter into formal contracts for the provision of services for 2020/21 with the main Commissioners and other Purchasers (c.92% of Planned Turnover within such contracts).
- 2020/21 contracts for the provision of services are due to be signed by Accountable Officers on or before the 27st March 2020.
- The Future of Acute Hospital Services in Worcestershire programme was approved

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by local commissioners through public consultation, and national STP capital funding has been earmarked. The Full Business Case is due to be approved in 2020, to ensure the full capital funding is released.

- There have been Executive team changes during 2019/20 with the Chief Medical Officer, and the establishment of a Chief Digital Officer.

Other Financial Considerations

- The Trust has experienced a challenging financial position over recent years, with historic performance showing substantial operating losses as set out below:

42. Breakeven duty rolling assessment	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Estimate 2019/20 £000
Breakeven duty in-year financial performance	3,135	287	88	17	(14,191)	(25,918)	(59,831)	(28,748)	(52,562)	(68,790)	(82,407)
Breakeven duty cumulative position	(18,719)	(18,432)	(18,344)	(18,327)	(32,518)	(58,436)	(118,267)	(147,015)	(199,577)	(268,367)	(350,774)
Operating income	312,889	321,829	336,594	348,763	346,029	364,656	368,981	403,348	400,918	411,966	429,577
Cumulative breakeven position as a percentage of operating income	(5.98%)	(5.73%)	(5.45%)	(5.25%)	(9.40%)	(16.02%)	(32.05%)	(36.45%)	(49.78%)	(65.14%)	(81.66%)

Estimated breakeven does not include the prior year PSF of £493k and capital donations (£0.70m).

- This shows that the trust has failed to achieve its statutory duty to break even.
- We have taken out a number of revenue loans over recent years to maintain operational expenditure, and will require further loans in each month of 2020/21 to continue to operate. Of the existing revenue loans, £164.8m is due for repayment in 2020/21. The table below shows the expected repayment dates.

Revenue Repayments due in 2020/21	
Expected Repayment Date	£000s
Apr-20	3,618
May-20	19,002
Jun-20	42,400
Jul-20	43,892
Aug-20	3,130
Sep-20	14,474
Oct-20	5,590
Nov-20	5,231
Dec-20	5,040
Jan-21	7,460
Feb-21	7,460
Mar-21	7,504
Revenue loan repayments due in 2020/21	164,801

- We highlighted the requirement for either cash support or renegotiation of the terms of the loans within our 2020/21 draft plan submission, and are in discussion with NHSI to agree the preferred course of action.

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- In addition, £3.703m of capital loans are repayable as per the table below. The Trust continues to repay its capital loans:

Capital Repayments due in 2020/21		
Expected Repayment Date	£000s	
May-20	48	<i>This excludes the recently approved capital loan for 2019/20 as repayment terms and interest have not been agreed.</i>
Jul-20	421	
Aug-20	531	
Sep-20	852	
Nov-21	48	
Jan-21	421	
Feb-21	531	
Mar-21	852	
Capital loan repayments due in 2020/21	3,703	

- The schedule below sets out current borrowing expected on the statement of financial performance as at March 2020:

Total forecast Borrowings from DHSC as at 31st March 2020			
	Capital £000s	Revenue £000s	Total £000s
opening	34,577	237,598	272,175
loans in year (M1-M10)	3,306	64,555	67,861
loans in year (M11 - M12)	3,240	0	3,240
repayments (M1-M10)	(2,323)	(933)	(3,256)
repayments (M11-M12)	(2,299)	(933)	(3,232)
planned borrowings as at 31/03/2020	36,501	300,287	336,788

- As a financially challenged Provider in significant deficit, we remain under regular scrutiny and support from NHSI/E. Through this process there is additional scrutiny on current performance and future plans.
- The final operational plan will be submitted on 29th April 2020, setting out planned income, activity, expenditure and workforce plans. The draft ICS plan projects a forecast deficit of c£(82.4)m, and is subject to a series of risks requiring mitigation.
- Examples of risks to the financial plan include:
 - Income under-recovery – mitigated through elective productivity programme and focus on cost out
 - Cost reductions not achieved – mitigated through engagement of PMO team with a robust oversight of Productivity and Efficiency Plans (PEP) and continued grip and control
 - Excess demand impacting on capacity available to maintain elective programme – mitigated through productivity programme and system focus on Home First Worcestershire programme
 - Lack of capital resources puts increasing pressure on revenue – mitigated

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through applications for capital loan support and robust prioritisation

- Lack of cash to service liabilities – mitigated through applications for revenue loan support, or requests to re-negotiate loan terms

- A key consideration is that we have the cash resources to meet our obligations as they fall due in the foreseeable future. There is a comprehensive cash management and forecasting process in place, including daily, weekly and monthly cash flow forecasting and careful working capital management.
- Access to cash support remains through monthly requests to the Department of Health and Social Care in line with the standard NHSI process. To date all requests that have been made in line with national policy have been approved and we have no reason to assume that this support will cease to be made available to the Trust, or that the terms on which cash is provided would change, albeit it is recognised that the current approach creates an element of uncertainty.
- The internal stretch efficiency target is to deliver a c3.5% / £20m PEP. At the time of writing this is partially identified. The ICS 5 year plan assumed achievement of c£13m of PEP improvements in 2020/21, with system support.

Conclusion

Assessment of Going Concern

Whilst we remain in a financially challenged position, and face a number of risks and uncertainties, there is clear evidence of continued provision of services being planned by both NHSI/E, Commissioners and within the Trust itself. The shortage of cash, against the level of known liabilities remains the greatest risk to remaining a going concern. However, we continue to be able to access additional cash to maintain the payment of current liabilities.

On the balance of assessment of the various risks, opportunities and uncertainties, the CFO recommends that the Trust considers itself to be a going concern in line with the accepted definition for public sector bodies. Neither NHSI/E nor the DHSC have deemed the going concern basis to be inappropriate for the Trust.

Recommendations

The Trust Management Executive is requested to consider and endorse the Chief Finance Officer’s recommendation that the Trust is a going concern (in line with published guidance), despite the significant cash requirement within the 2020/21 draft financial plan. This in readiness for consideration at the Finance and Performance Committee and approval by the Board.

The Finance & Performance Committee is requested to consider and endorse the recommendation that the Trust considers itself a going concern, for ratification and approval by the Board.

Appendices

Appendix 1 – Going Concern Extract – Group Accounting Manual 2019-20

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Appendix 1

Going Concern Extract – Group Accounting Manual 2019-20

Going concern

4.11. The *FReM* notes that in applying paragraphs 25 to 26 of IAS 1, preparers of financial statements should be aware of the following interpretations of Going Concern for the public sector context.

4.12. For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.

4.13. Sponsored entities whose statements of financial position show total net liabilities must prepare their financial statements on the going concern basis unless, after discussion with their sponsor division or relevant national body, the going concern basis is deemed inappropriate

4.14. Where an entity ceases to exist, it must consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern in its final set of financial statements.

4.15. Where a DHSC group body is aware of material uncertainties in respect of events or conditions that cast significant doubt upon the going concern ability of the entity, these uncertainties must be disclosed. This may include for example where continuing operational stability depends on finance or income that has not yet been approved.

4.16. Should a DHSC group body have concerns about its “going concern” status (and this will only be the case if there is a prospect of services ceasing altogether) it must raise the issue with its sponsor division or relevant national body as soon as possible

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Audit and Assurance Committee Assurance Report

For approval:	For discussion:	For assurance: x	To note:
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Accountable Director	Steve Williams Audit and Assurance Chairman		
Presented by	Steve Williams Audit and Assurance Chairman	Author /s	Kimara Sharpe Company Secretary

Alignment to the Trust's strategic objectives					
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Best services for local people		Best experience of care and outcomes for our patients		Best use of resources	x	Best people
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Report previously reviewed by		
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Committee/Group	Date	Outcome

Recommendations	The Trust Board is requested to <ul style="list-style-type: none"> • Note the report for assurance
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Executive summary	This report summarises the business of the Audit and Assurance Committee at its meeting held on 14 January 2020.
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Risk					
Key Risks	The Committee reviews all significant risks.				
Assurance					
Assurance level	Significant	Moderate	Limited	None	
Financial Risk					

Meeting	Trust board
Date of meeting	12 March 2020
Paper number	G1

Introduction/Background

The Audit and Assurance Committee has been established to critically review the governance and assurance processes upon which the Trust Board places reliance, ensuring that the organisation operates effectively and meets its strategic objectives. Membership is three non-executive directors.

The Committee has met twice since the last report, once in January and once in March. Any issues that need escalating from the March meeting will be given verbally at the meeting.

Issues and options

Items discussed at the 14 January meeting:

- **Declarations of interest:** We were pleased to learn that we are at 100% for consultant declarations of interest. We congratulated all those staff who have ensured that this has happened.
- **Management of risk:** We received and approved the Risk Management Strategy (presented to the January Board meeting). The Chief Nurse attended to update the Committee on the work of the Risk Management Group and the Corporate Risk Register. We noted the progress being made and were assured that this work is being embedded. It was noted there is still more to do, including a significant amount of work on the Corporate Risk Register. We requested a further update in six months.
- **Review of quality account:** We were assured of the process being undertaken to develop and publish the quality account. QGC oversees the content of the account.
- **Board Assurance Framework** – We received and approved the internal audit on the BAF. This was graded as a level A (the highest rating). We received a report detailing the process used for the updating of the 2019-20 BAF and we were assured with the robustness of the process.
- Internal Audit progress report - it was noted that while there has been progress on a number of outstanding actions, a number of actions are overdue. A review of the escalation process is due to be presented at the March meeting.
- **Final accounts** – timeline. We received a paper detailing the timeline for the submission of the final accounts by 29 May (national deadline). The key dates were:
 - 24 April – final submission of draft accounts to NHS E/I plus sharing the accounts with members
 - 12 May – unaudited accounts to the Committee
 - 22 May – submit final accounts.

Items approved:

- Debt write off (£13k)
- Revised terms of reference

Other items received:

- External Audit report
- Counter Fraud progress report
- Waiver report
- Losses and special payments

Recommendations

The Trust Board is requested to

- Note the report for assurance

Appendices - none

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Remuneration Committee Report

For approval:	For discussion:	For assurance:	x	To note:
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Accountable Director	Sir David Nicholson Chairman		
Presented by	Sir David Nicholson Chairman	Author /s	Kimara Sharpe Company Secretary

Alignment to the Trust's strategic objectives					
Best services for local people		Best experience of care and outcomes for our patients		Best use of resources	x

Report previously reviewed by		
Committee/Group	Date	Outcome

Recommendations	The Trust board is requested to note this report for assurance.
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Executive summary	This report is a routine report to the Trust board outlining the business of this committee.
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Risk					
Key Risks	N/A				
Assurance	N/A				
Assurance level	Significant	Moderate	Limited	None	
Financial Risk	N/A				

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Introduction/Background
The Remuneration Committee sets and reviews pay for staff not on agenda for change terms and conditions of service. It also ensures that there is a succession plan for senior members of staff including Board members.
Issues and options
<p>The Committee has met once since my last report in January. The meeting covered the following:</p> <ul style="list-style-type: none"> • Approval of the change of terms and conditions of an executive director • Extension of the notice period for the Director of Strategy and Planning • Approval of the national VSM pay rise • Approval of a pay rise for the Director of People and Culture, to bring the pay in line with other directors in this area in similar sized trusts • An analysis of the executive director pay and terms and conditions in relation to equal pay
Recommendations
The Trust board is requested to note this report for assurance.
Appendices - none

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Paper number	G3

Committee Terms of Reference

For approval:	x	For discussion:		For assurance:		To note:	
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Accountable Director	Matthew Hopkins CEO		
Presented by	Kimara Sharpe Company Secretary	Author /s	Kimara Sharpe Company Secretary

Alignment to the Trust's strategic objectives							
Best services for local people	x	Best experience of care and outcomes for our patients	x	Best use of resources	x	Best people	x

Report previously reviewed by		
Committee/Group	Date	Outcome
All Committees	Jan/Feb 2020	Approved

Recommendations	The Trust Board is requested to approve the updated attached terms of reference for the Board Committees.
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Executive summary	This is the annual review of the Terms of Reference for each Committee.
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Terms of Reference

AUDIT AND ASSURANCE COMMITTEE

Version: 3.2

Terms of Reference approved by: A&A Committee, Trust Board

Date approved: September 2017/September 2018/March 2020

Author: **Company Secretary**

Responsible directorate: Finance

Review date: March 2021

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

AUDIT AND ASSURANCE COMMITTEE

TERMS OF REFERENCE

1 Purpose

The Audit and Assurance Committee has been established to critically review the governance and assurance processes upon which the Trust Board places reliance, ensuring that the organisation operates effectively and meets its strategic objectives.

2 Constitution

The Committee is established by the Trust Board and is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference.

3 Membership

Three non-executive directors, one of which shall be appointed chair by the Trust board.

The Chair of the Trust shall not be a member of the Committee.

4 Attendance

The following shall be in attendance at each meeting:

- The Chief Financial Officer
- Assistant Director of Finance or representative
- The Head of Internal Audit or representative
- External Audit engagement lead or representative
- Head of Counter Fraud
- Company Secretary

The Chief Executive and other executive directors should be invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that director.

In addition, the Chief Executive should be invited to attend, at least annually, to discuss with the Audit and Assurance Committee the process for assurance that supports the Annual Governance Statement.

5 Administrative support

The administrative support shall be through the Company Secretary.

6 Attendance

Except in exceptional circumstances, members are required to attend all of the meetings per year.

7 Quoracy

A quorum shall be two members.

8 Frequency of meetings

There should be a minimum of 5 meetings per year, scheduled on a bi-monthly basis.

The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary. The holding of such a meeting shall be at the discretion of the Chair of the Audit and Assurance Committee.

The Committee may meet the internal/external auditors privately as required.

9 Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

10 Duties

The duties of the Committee can be categorised as follows:

10.1 Integrated Governance, Risk Management and Internal Control

The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (clinical and non-clinical) that supports the achievement of the organisation's objectives.

In particular, the committee will review the adequacy and effectiveness of:

1. The Assurance Framework as the key source of evidence that links strategic objectives to risks, controls and assurances and the main tool that the Trust Board uses in discharging its overall responsibility for internal control. Thus, the Committee should review whether;
 - The format of the Assurance Framework is appropriate for the organisation
 - The processes around the Framework are robust and relevant
 - The controls in place are sound and complete
 - The assurances are reliable and of good quality
 - The data the assurances are based on is reliable
2. All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board
3. The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
4. The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
5. The policies and procedures for all work related to counter fraud, bribery and corruption as required by NHS Counter Fraud Authority.

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from

directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work, and that of the audit and assurance functions that report to it.

As part of its integrated approach, the Committee will have effective relationships with other key committees (for example Quality Governance Committee) so that it understands processes and linkages. However these other committees must not usurp the Committee's role.

10.2 Internal Audit

The Committee shall ensure that there is an effective internal audit function established by management that meets the Public Sector Internal Audit Standards 2017 and provides appropriate independent assurance to the Audit and Assurance Committee, Chief Executive and Trust Board. This will be achieved by:-

1. Consideration of the provision of the Internal Audit Service, including the cost of the audit.
2. Review and approval of the Internal Audit plan, and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation, as identified in the assurance framework.
3. Consideration of the major findings of internal audit work (and management's response) and ensure co-ordination between the Internal and External Auditors to optimise audit resources.
4. Ensuring that the Internal Audit function is adequately resourced, suitably qualified and has appropriate standing and access within the organisation.
5. Annual review of the effectiveness of internal audit, including consideration of the Internal Audit Annual Report.

10.3 External Audit

The Committee shall review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process. In particular the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:-

1. Consideration of the appointment and performance of the External Auditor.
2. Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination, as appropriate, with other Internal Audit and External Auditors in the local health economy.
3. Discussion with the External Auditor of its local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee.
4. Review all External Audit reports, including agreement of the annual audit letter before submission to the Trust Board and any work carried outside the annual audit plan, together with the appropriateness of management responses.
5. Ensure that there is in place a clear policy for the engagement of external auditors to supply non-audit services.

10.4 Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

These will include, but will not be limited to, any reviews by Department of health and Social Care arm's length bodies or regulators/inspectors for example the Care Quality Commission, NHS Resolution and professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies).

The Committee shall also ensure that the Trust appoints external auditors in compliance with the requirements of the Local Accountability and Audit Act 2014 and The Local Audit (Health Service Bodies Auditor Panel and Independence) Regulations 2015. This will be through the Auditor Panel.

In addition, the Committee will through an agreed annual work plan, review the work of other committees within the organisation, whose work can provide relevant assurance to the Committee's own scope of work. When reviewing the work of the QGC and issues around clinical risk management, the Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

The Committee shall report to the board in relation to the robustness of the processes behind the quality accounts. The Committee shall also provide assurance to the board in relation to the management of cyber security arrangements.

10.5 Counter Fraud

The Committee shall satisfy itself that the organisation has adequate arrangements in place for counterfraud, bribery and corruption that meet NHS CFA standards and shall review the outcomes of work in these areas.

The Committee will refer any suspicions of fraud, bribery and corruption to the NHS CFA.

10.6 Management

The Committee shall request and review reports, evidence and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

The Committee may also request specific reports from individual functions or major change programmes within the organisation as appropriate.

10.7 Financial Reporting

The Committee shall monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

The Committee should ensure that the systems for financial reporting to the Trust Board, including those of budgetary control are subject to review as to completeness and accuracy of the information provided to the Trust Board

The Committee shall review and approve the Annual Report and financial statements before submission to the Board, focusing particularly on:-

- The wording in the Annual Governance Statement, and other disclosures relevant to the Terms of Reference of the Committee.
- Changes in, and compliance with, accounting policies, practices and estimation techniques.
- Unadjusted mis-statements in the financial statements.
- Significant judgments in preparation of the financial statements.
- Significant adjustments resulting from the audit.
- Letter of Representation
- Explanations for significant variances

10.8 Whistleblowing

The Governance Institute's *Guidance note – terms of reference for the audit committee* states that 'the committee shall review the adequacy and security of the company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action'.

To that end, the committee shall review the effectiveness if the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and ensure that any concerns are investigated proportionately and independently.

11 Reporting Structure

The Minutes of Committee meetings shall be formally recorded and a report of each meeting submitted to the Trust Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.

The Committee will report to the Board at least annually on its work

- in support of the Annual Governance Statement,
- specifically commenting on the fitness for purpose of the Assurance Framework,
- the completeness and embedding of risk management in the organisation,
- the integration of governance arrangements
- The appropriateness of the evidence that shows the organisation is fulfilling regulatory requirements relating to its existence as a functioning business
- The robustness of the processes behind the quality accounts.

The Committee's annual report should also describe how the committee has fulfilled its terms of reference and give details of any significant issues that the committee considered in relation to the financial statements and how they were addressed.

12 Record of Business

Minutes of Committee meetings shall be produced and circulated to members of the Committee no later than five working days following each meeting.

Agendas and associated papers shall be sent out no later than five working days before the meeting.

13 Review Period

The Committee's membership and terms of reference will be reviewed annually by 31st March.

January 2020

Terms of Reference

Charitable Funds Committee

Version: 3.2

Terms of Reference approved by: Charitable Funds Committee/Trust Board

Date approved: September 2017/December 2018/March 2020

Author: **Company Secretary**

Responsible directorate: Chief Executive

Review date: by March 2021

TERMS OF REFERENCE

1 Authority

- 1.1 The Charitable Funds Committee (the committee) is constituted as a standing committee of the Trust Board as the corporate trustee. Its constitution and terms of reference shall be as set out below, subject to amendment at future board meetings.
- 1.2 The committee is authorised by the board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the committee
- 1.3 The committee is authorised by the board to instruct professional advisors and request the attendance of individuals and authorities from outside the trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.
- 1.4 The committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.
- 1.5 The Committee must act in accordance with any statutory/legal requirements or best practice required by the Charity Commission.

2 Purpose

- 2.1 The Charitable Funds Committee has been established to manage funds held in trust either as charitable funds or non-charitable funds. The Committee reports to the Trust Board as Corporate Trustee.

3 Terms of Reference

The Trustee is responsible for the overall management of the Charitable Funds. It is required:-

- To ensure that best practice is followed in terms of guidance from the Charity Commission, Institute of Fundraising, Fundraising Regulator, National Audit Office, Department of Health and other relevant organisations.
- To work within the Charity Governance Code as a tool to support continuous improvement and will regularly revisit and reflect on the Code's principles.
- To ensure that the appropriate policies and procedures are in place to support the Charitable Funds Investment Strategy.
- To advise Fund Managers on income and expenditure and that this is reviewed at regular intervals.
- To ensure all income and expenditure is as per the Fund managers' manual
- To develop, review and support the Worcestershire Acute Hospitals Charity Strategy 2019 – 2024 ensuring adherence to the strategic direction of the charitable funds.
- To monitor all significant transactions within charitable funds.
- To monitor the charitable funds of the Trust to ensure that any specific conditions are met.
- To adhere to the Trust Standing Financial Instructions and Scheme of Delegation for charitable funds.

- On an annual basis, to review and approve summary level income and expenditure plans for the charity and from Fund Managers, ensuring that they complement the strategy.
- To approve expenditure in alignment with the Scheme of delegation
- To review the number of funds on an annual basis and undertake a programme of rationalisation, where appropriate.
- To approve any request to set up new funds and cost centres including research monies ensuring that they meet the criteria for charitable status as specified by the Charity Commission.
- To decide the bases of apportionment for investment income and administration costs, respectively.
- To periodically review and approve an annual risk assessment.
- To approve the annual financial accounts and annual report, prior to their submission to the Charities Commission.
- To ensure gifted income is used in accordance with Standing Financial Instructions and the purpose stated by the donor.
- To review the internal control arrangements within the Trust, in relation to donated funds held, in conjunction with Internal Audit, External Audit and individual staff.

4 **Membership**

All Board Directors are Trustees of the Trust's Charitable Funds. The Committee shall be appointed by the Board from amongst the Board and shall consist of three Non-Executive Directors and three Executive Directors.

One of the non-executives shall be the Chair of the Committee.

Members

Three non-executive directors
 Chief Financial Officer
 Chief Nurse **or** Chief Medical Officer
 Director of Communications & Engagement

In attendance: Company Secretary and Deputy Company Secretary

The Assistant Director of Finance, Payables and Charitable Funds Manager and the Head of Financial Planning and Financial Services shall normally be expected to attend meetings and report to the Committee on the use of and accounting for funds held on trust. The Committee will request the attendance of others as necessary.

The Trust's Investment Advisors will be required to attend at least one meeting per annum.

Substitutes/Deputies - Any Non-Executive Director of the Trust may act as nominated substitute / deputy in the absence of any Non-Executive Director and this attendance will count towards the quorum. Any Executive Director may act as nominated substitute / deputy in the absence of any Executive Director and this attendance will count towards the quorum.

5 **Quorum**

A quorum shall consist of three members, of which one shall be the Chair or Vice-Chair of the Charitable Funds Committee.

- 6 Frequency**
Meetings shall be held four times a year. Members are expected to attend at least 50% of the meetings.
- 7 Record of Business**
Minutes of the Committee meetings shall be produced and circulated to the members of the Committee no later than 5 working days following each meeting. The Minutes of Committee meetings shall be formally recorded and a report of each meeting submitted to the Board. The Chairman of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action.
- Agendas and associated papers will be sent out no later than five working days before the next meeting.
- 9 Committee Secretary**
The Company Secretary is responsible for ensuring the Committee's business is recorded appropriately.
- 10 Review Period**
The Committee membership and Terms of Reference are to be reviewed annually by 31st March.

January 2020

Terms of Reference

FINANCE AND PERFORMANCE COMMITTEE

Version: **3.1**

Terms of Reference approved by: **Trust Board**

Date approved: March 2019/March 2020

Author: **Company Secretary**

Responsible directorate: **Finance**

Review date: March 2021

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

FINANCE AND PERFORMANCE COMMITTEE

Terms of Reference

1. Introduction

The purpose of the Finance and Performance Committee (F&P) is to act as a sub-committee of the Trust Board to give the Board assurance on the management of the financial and operational performance of the Trust and to monitor and support the financial planning and budget setting process. The Committee will review business cases with a significant financial impact and oversee developments in financial systems and reporting, e.g. SLR/PLICS. The Committee will provide oversight of the IT/Digital agenda

The Committee will also review the performance strategy of the Trust and hold the Trust to account on national and local targets.

2. Membership

- Three non-executive directors
- Chief Executive
- Chief Operating Officer
- Chief Finance Officer
- Chief Nursing Officer and/or Chief Medical Officer (or their nominated Deputy)
- Director of Strategy and Planning
- Director of People & Culture
- Chief Digital Officer

In attendance:

- Assistant Directors of Finance/Performance/Procurement (as necessary)
- Company Secretary
- Other senior finance staff as required
- Divisional Management Teams will attend on a rotational basis
- Other staff as appropriate

2.1 The Chair of the Committee is appointed by the Trust Board.

3 Arrangements for the conduct of business

3.1 Chairing the meetings

A non-executive director will chair the meetings. In the absence of the Chair, another non-executive director will chair the meeting.

3.2 Quorum

The Committee will be quorate when two non-executive directors and two executive directors are present.

3.3 Frequency of meetings

The Committee will meet monthly.

3.4 Frequency of attendance by members

Members are expected to attend each meeting, unless there are exceptional circumstances.

3.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

3.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one in liaison with the Chief Finance Officer and Chief Operating Officer.

3.7 Secretariat support

Secretarial support will be through the Company Secretary.

4 Authority

The Committee is authorised by the Trust Board.

5 Purpose and Functions**5.1 Purpose**

To act as a sub-committee of the Trust Board to:

- Give the Board assurance on the management of the financial and operational performance of the Trust
- To develop the Trust's financial strategy for approval by the Trust Board
- To oversee business planning for the Trust
- Monitor and support the financial planning and budget setting process
- Review business cases with a significant financial impact.
- Oversee developments in financial systems and reporting, e.g. SLR/PLICS
- To conduct post implementation reviews of all major business cases approved by the Committee
- To review Procurement Strategy Development
- Monitor the working capital position of the Trust including availability and management of, the capital investment programme and cash flow.
- To oversee the implementation of major digital and IT systems
- Oversight of cyber security and IT
- The following sub-groups will report to the F & P Committee on a frequency determined by their business cycle:
 - Capital Prioritisation Group
 - Strategy and Planning Group

5.2 Duties

In discharging the purpose above, the specific duties of the F&P Committee are as follows:

5.2.1 Financial Management

To provide key assurances on the financial governance of the Trust through a programme of review work incorporating the following:

- To oversee and evaluate the development of the Trust's medium term financial plan to deliver its integrated business plan.
- To regularly review the financial standing of the Trust
- Review and endorsement of the annual revenue and capital budgets before they are presented to the Board for approval.
- Monitor income and expenditure against planned levels and make recommendations for corrective action should excess variances occur.
- Review expenditure against the agreed capital plan.
- To be responsible for overseeing identification, evaluation, response to and monitoring of financial risk
- To review financial aspects of key policy areas
- To review and monitor the continued development and implementation of the Trust's Productivity and Efficiency Programme To review the financial impact on quality of the medium term financial plan
- To receive reports relating to the financial recovery plan
- To commission work as needed to enhance the work of the Committee

5.2.2 Performance Management

To provide key assurances on the Trust's performance management framework through a programme of review work incorporating the following:

- To oversee and evaluate the development of the Trust's performance strategy to performance manage against strategy and against plan.
- Review the performance report and dashboards against local/national targets
- Review performance against the CQUIN targets
- Review areas of underperformance and agree corrective actions
- Horizon scan regarding new targets
- Develop performance dashboards for reporting to the Board

5.2.3 Digital

- To approve the business cases required for the implementation of the Digital Strategy
- To oversee the implementation of the Digital Strategy

5.2.4 Other Duties

- To scrutinise the financial aspects of business cases/investment proposals as necessary.
- Receive updates on the contract management and negotiations giving direction as necessary.

- Periodically review financial policies and procedures including the SFIs, scheme of delegation, etc. to ensure that they are still relevant and appropriate.
- Review the outputs of benchmarking exercises and consider appropriate actions.
- To review and monitor those strategic risks in the BAF (finance and operational risks) allocated to the Committee and Finance Risk Register
- To identify any training needs for Committee members and to ensure that all members are competent in ensuring they can undertake their duties as members of the Committee.

6. Relationships and reporting

- 6.1 The F&P Committee is accountable to the Trust Board and will report monthly to the Board.
- 6.2 Through the linkage of common NED membership, the F&P Committee will retain a close relationship with the Quality Governance Committee, People & Culture Committee and the Audit and Assurance Committee. This will include referring matters to those committees and receiving referrals from those committees.

7 Review of the Terms of Reference

These Terms of reference will be reviewed by March 2021 or earlier if deemed appropriate by the Chair.

Kimara Sharpe
Company Secretary
January 2020

Terms of Reference

PEOPLE AND CULTURE COMMITTEE

Version: 1.6

Terms of Reference approved by: P&C Committee/Trust Board

Date approved: January 2018/March 2018/September 2018/March 2020

Author: **Company Secretary**

Responsible directorate: Human Resources

Review date: March 2021

**Terms of Reference
People and Culture Committee**

1. Introduction

This Committee will act as a Committee of the Trust Board and is set up to ensure that the Trust attracts and retains a high performing workforce capable of delivering the Trust strategic objectives

The People and Culture Committee is authorised by the board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Trust board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

The Committee is authorised to obtain such internal information as is necessary and expedient to fulfil its functions.

2. Purpose

The purpose of the group is:

- To assess the workforce implications of the Trust strategic objectives, national HR workforce strategies, employment legislation and local initiatives.
- To oversee the development and implementation of the Trust's People and Culture Strategy and associated plans
- To monitor the effectiveness of the strategy and report on progress against plan.
- To provide assurance to the Board on the operation of effective and robust HR Workforce & OD practices and governance frameworks.

3 Membership

- Two Non-Executive Directors
- One Associate Non-Executive Director
- Chief Executive
- Chief Finance Officer (or representative)
- Director of People and Culture
- Director of Communications
- Chief Operating Officer
- CNO (or representative)
- CMO (or representative)
- Deputy Directors of Human Resources and OD
- Chairs of the sub committees (if not listed above)

In attendance:

- Company Secretary
- Deputy Company Secretary
- 4ward lead advocate
- Divisional representatives and other staff as appropriate

3.1 Chair of the Committee is appointed by the Trust Board.

4 Arrangements for the conduct of business

4.1 Chairing the meetings

The Non-Executive Director Chair will chair the meeting. In the absence of the Chair, another Non-Executive Director will Chair the meeting.

4.2 Quorum

The Committee will be quorate when one third of the members are present including one Non-Executive Director and two Executive Directors.

4.3 Frequency of meetings

The Committee will meet every two months.

4.4 Frequency of attendance by members

Members are expected to attend each meeting, unless there are exceptional circumstances.

4.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

4.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one in liaison with the Director of People and Culture.

4.7 Secretariat support

Secretarial support will be through the CE secretariat and a report will be presented to the Trust Board.

5 Purpose and Functions

5.1 Purpose

To act as a Committee of the Trust Board to:-

- Enable the Board to obtain assurance on the management of the Trust's workforce.

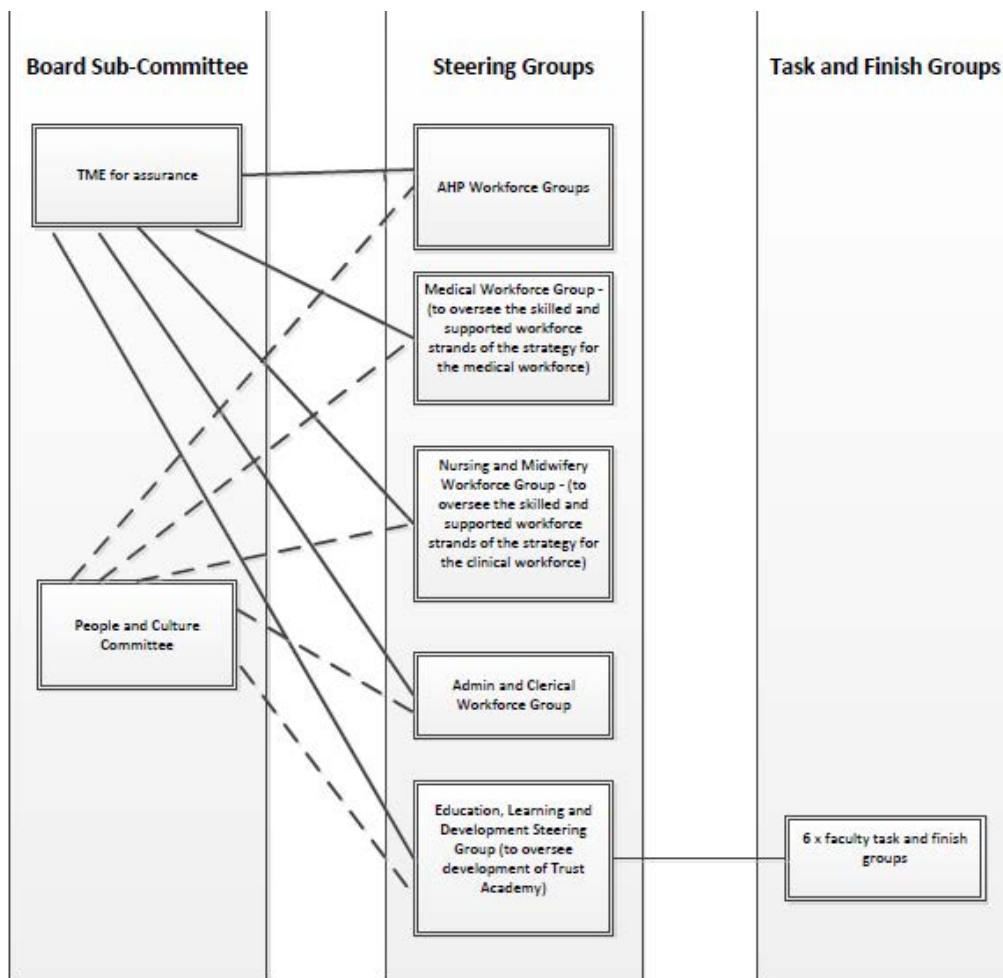
5.2 Duties

In discharging the purpose above, the specific duties of the Committee are as follows:

- To develop and oversee the implementation of the People and Culture Strategy and associated plans including
 - the development and implementation of a strategic workforce plan to ensure sustainability and affordability of workforce supply on a short, medium and long term basis
 - the implementation of the Trust's recruitment and retention plan to ensure the Trust has the right number of staff to deliver high quality services
 - the development and implementation of a workforce education and development plan to ensure the knowledge and skills of the workforce enable continuous improvement in the delivery of services
 - the effectiveness of the Trust's workforce equality and diversity plan
 - Monitor key workforce performance indicators and action plans to improve performance.
 - the implementation of trustwide cultural change programmes. To regularly review the effectiveness of these programmes.
 - the implementation of the Trust's employee health and wellbeing plan that minimises sickness absence rates across the Trust
- Review staff survey results and monitor implementation of the action plan and effectiveness of arrangements to engage colleagues
- Identify risks associated with workforce issues ensuring ownership with mitigating actions, escalating to Trust Board as required.
- Assure the Board on the progress of the workforce related Board Assurance Framework risks and relevant corporate risk register risks
- To assure the board that controls are in place to reduce reliance on agency staff (all areas) and therefore reduce agency spend.
- To ensure that all Trust policies relevant to HR / OD / Education / Training/Equality and Diversity and Occupational Health are maintained and updated in accordance with best practice, operational service activities, relevant legislation as well as taking into account the requirements of NHS regulatory bodies

6. Relationships and reporting

- 6.1 The Committee is accountable to the Trust Board and will report after each of its meetings to the Trust Board in public and where appropriate in private.
- 6.2 The following governance structure has been established to oversee the effectiveness of the strategy and to ensure that associated plans are implemented within agreed timescales.



7 Review of the Terms of Reference

These Terms of reference will be reviewed by March 2021 or earlier if deemed appropriate by the Chair.

KS/ToR People and Culture
February 2020

Terms of Reference

Quality Governance Committee (QGC)

Version: 4.1

Terms of Reference approved by: QGC/Trust Board

Date approved: September 2017/October 2018/November 2018/March 2020

Author: **Company Secretary**

Responsible directorate: CNO/CMO

Review date: March 2021

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

Quality Governance Committee

Terms of Reference

1. Introduction/Authority

The Quality Governance Committee (QGC) is constituted as a standing committee of Trust board. Its constitution and terms of reference are set out below, subject to amendment at future Trust board meetings.

The QGC is authorised by the board to act within its terms of reference. All members of Trust staff are directed to co-operate with any request made by the QGC.

The QGC is authorised by the Trust board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

The QGC is authorised to obtain such internal information as is necessary and expedient to fulfil its functions.

2. Membership

- Non-Executive Director (Chair)
- Two Non-Executive Directors
- Chief Executive
- Chief Nursing Officer
- Chief Medical Officer
- Chief Operating Officer
- Patient Forum Representative
- Chief Digital Officer

In attendance:

- Company Secretary
- Deputy CNO (quality)
- CCG representative
- Assistant Director – Information and Performance
- Trainee representative
- HealthWatch
- Divisional governance leads
- NHS Improvement Director

As required:

- Other personnel as invited by the Chair

- 2.1 The Chair of the Group is appointed by the Trust Board and shall be a non-executive director.
- 2.2 Trust employees who serve as members of the QGC do not do so to represent or advocate for their respective department, division or service area but to act in the interests of the Trust as a whole and as part of the Trust-wide governance structure.

3 Arrangements for the conduct of business

3.1 Chairing the meetings

The Non-Executive Director will chair the meetings. In the absence of the Non-Executive Director, the Chair will be another Non-Executive Director.

3.2 Quorum

QGC will be quorate when one third of the members are present including at least two non-executive directors and one clinician, including the Chief Nurse or the Chief Medical Officer or their deputies.

3.3 Frequency of meetings

The Committee will meet monthly.

3.4 Frequency of attendance by members

Members are expected to attend all meetings each year, unless there are exceptional circumstances. The Chair must be informed of expected absences; members should arrange for an appropriate officer with full delegated authority to deputise for them on such occasions.

3.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

3.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one in liaison with the CNO/CMO.

3.7 Secretariat support

Secretarial support will be the Company Secretary and a report will be presented to the Trust Board.

4 Authority

The Committee is authorised by the Trust Board.

5 Aims and Objectives

5.1 Aims

- The Quality Governance Committee provides the Trust Board with assurance that
 - quality within the organisation is being delivered to the highest possible standards and that there are appropriate policies, processes and governance in place to continuously improve care quality, and to identify gaps and manage them accordingly.
 - the quality risks on the corporate risk register associated with the Trust's provision of excellent care are identified managed and mitigated appropriately. In doing so, the Quality Governance Committee may consider any quality issue it deems appropriate to ensure that this can be achieved.
 - the strategic priorities for quality assurance are focused on those which best support delivery of the Trust's quality priorities in relation to patient experience, safety of patients and service users and effective outcomes for patients and service users;
 - the independent annual Clinical Audit Programme provides a suitable level of coverage for assurance purposes, and receiving reports as appropriate;
 - compliance with regulatory standards and statutory requirements, for example those of the Duty of Candour, the CQC, NHSR and the NHS Performance Framework are reviewed.

- the quality risks on the Board Assurance Framework are reviewed and the Committee is satisfied as to the adequacy of assurances on the operation of the key controls and the adequacy of action plans to address weaknesses in controls and assurances;
 - the Annual Quality Report is reviewed ahead of its submission to the Board for approval.
- Overseeing 'Deep Dive Reviews' of identified risks to quality identified by the Board or the Committee and how well any recommended actions have been implemented.
 - The Committee may also initiate such reviews based on its own tracking and analysis of quality trends flagged up through the regular performance reporting to the Board.

5.2 Objectives

5.2.1 The Committee provides oversight of the Quality Improvement Strategy and the three plans that support the strategy:

- **The SAFETY of treatment and care provided to patients** – safety is of paramount importance to patients and is the bottom line when it comes to what services must be delivering
- **EFFECTIVENESS of the treatment and care provided to patients** – measured by both clinical outcomes and patient-related outcomes
- **The EXPERIENCE patients have of the treatment and care they receive** – how positive an experience people have on their journey through the organisation can be even more important to the individual than how clinically effective care has been.

5.2.2 The Committee's objectives are:

- To approve the Quality Improvement Strategy (QIS) and receive monthly updates through the report from the Clinical Governance Group.
- To approve the three Plans supporting the QIS
- To oversee the CQC 'must' and 'should' dos
- To approve the Trust's annual quality account before submission to the Board;
- To monitor and review the Trust Quality Performance Dashboard
- To review the Trust's performance against the annual CQUINs
- To consider matters referred to the Committee by the Trust Board, other Committees or other sources;
- To have oversight of the Infection Prevention and Control Plan and receive regular updates on the action plan
- To receive the Annual Report for Infection Control prior to it being presented to the Trust Board
- To monitor the Trust's compliance with the national standards of quality and safety of the Care Quality Commission, and NHS Improvement's licence conditions that are relevant to the Quality Governance Committee's area of responsibility, in order to provide relevant assurance to the Board so that the Board may approve the Trust's annual declaration of compliance and corporate governance statement

5.2.3 In relation to **SAFETY**

- To scrutinise serious incidents, analyse patterns and monitor trends and to ensure appropriate follow up within the Trust

- To provide the Board with assurance regarding Adult and Child Safeguarding requirements and processes
- To promote within the Trust a culture of open and honest reporting of any situation that may threaten the quality of patient care in accordance with the trust's policy on reporting issues of concern and monitoring the implementation of that policy
- To ensure that where practice is of high quality, that practice is recognised and propagated across the Trust
- To monitor the impact on the Trust's quality of care of cost improvement programmes and any other significant reorganisations
- To monitor the quality impact of the implementation of the Digital Care Record.

5.2.4 In relation to **EFFECTIVENESS**

- To have oversight and monitor progress of the annual clinical audit programme
- To make recommendations to the Audit & Assurance Committee concerning the clinical audit programme;
- To approve relevant policies and including but not limited to:
 - Risk Management Policy
- To have oversight of Trust-wide compliance with clinical regulations and Central Alert System requirements;
- Ensure the review of patient safety incidents (including near-misses, complaints and Rule 43 coroner reports) from within the trust and wider NHS to identify similarities or trends and areas for focussed or organisation-wide learning;
- To ensure the Trust is outward-looking and incorporates the recommendations from external bodies into practice with mechanisms to monitor their delivery.
- To have oversight of the Trust's Mortality and Morbidity Surveillance Group, and to monitor Trust performance in these areas;

5.2.5 In relation to **EXPERIENCE:**

- To monitor the Trust's Friends and Family Test response rates
- To provide the Board with assurance that complaints are handled both effectively and timely
- To scrutinise patterns and trends in patient survey results, Friends and Family results, complaints and PALs data, and ensure appropriate actions are put into place and lessons are learnt
- To oversee the Trust's progress on Patient Experience.

6. Relationships and reporting

6.1 The Committee is accountable to the Trust Board. The quality governance committee will report to the Trust Board at each of its meetings in public and where appropriate in private.

6.2 The following sub groups report to the Quality Governance Committee

- Clinical Governance Group (CGG)
- Infection Prevention and Control Committee

The following groups are accountable to the CGG:

- Patient and Carer Experience
- Research and Development
- Safeguarding
- Blood Transfusion
- Harm Reduction
- Divisional Governance
- Medical Devices

- Resuscitation and deteriorating patient
- Medicine Optimisation
- Serious Incident Review
- Mortality Review

7 Review of the Terms of Reference

These Terms of reference will be reviewed by March 2021

KS/TOR (corp gov TOR)
January 2020

Terms of Reference

REMUNERATION COMMITTEE

Version: 2.2

Terms of Reference approved by: Remuneration Committee/Trust board

Date approved: September 2017/November 2017/September 2018/November 2018/March 2020

Author: Company Secretary

Responsible directorate: Chairman/CEO

Review date: March 2021

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1 Authority

The remuneration committee (the committee) is constituted as a standing committee of Trust board. Its constitution and terms of reference shall be as set out below, subject to amendment at future board meetings.

The committee is authorised by the board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the committee.

The committee is authorised by the board to instruct professional advisors and request the attendance of individuals and authorities from outside the trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

The committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

2 Purpose

To be responsible for overseeing and ratifying the appointment of candidates to fill all the executive director positions on the board and for determining their remuneration and other conditions of service.

When appointing the chief executive, the committee shall be the committee described in Schedule 7, 17(3) of the National Health Service Act 2006 (the Act). When appointing the other executive directors the committee shall be the committee described in Schedule 7, 17(4) of the Act.

3 Terms of Reference

3.1 Appointments role

The committee will:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board, making use of the output of the board evaluation process as appropriate, and make recommendations to the board, with regard to any changes.
- Give full consideration to and make plans for succession planning for the chief executive and other executive board directors taking into account the challenges and opportunities facing the trust and the skills and expertise needed on the board in the future.
- Keep the leadership needs of the trust under review at executive level to ensure the continued ability of the trust to operate effectively in the health economy.
- Be responsible for overseeing and ratifying the appointment of candidates to fill posts within its remit as and when they arise.
- When a vacancy is identified, evaluate the balance of skills, knowledge and experience on the board, and its diversity, and in the light of this evaluation, prepare a description of the role and capabilities required for the particular appointment. In identifying suitable candidates the committee shall use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds; and consider candidates on merit against objective criteria.

- Ensure that a proposed executive director's other significant commitments (if applicable) are disclosed before appointment and that any changes to their commitments are reported to the board as they arise.
- Ensure that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- Consider any matter relating to the continuation in office of any board executive director including the suspension or termination of service of an individual as an employee of the trust, subject to the provisions of the law and their service contract.

3.2 Remuneration role

The committee will:

- Establish and keep under review a remuneration policy in respect of executive board directors and senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay.
- Consult the chief executive about proposals relating to the remuneration of the other executive directors.
- In accordance with all relevant laws, regulations and trust policies, decide and keep under review the terms and conditions of office of the trust's executive directors and senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay, including:
 - Salary, including any performance-related pay or bonus;
 - Annual salary increase
 - Provisions for other benefits, including pensions and cars;
 - Allowances;
 - Payable expenses;
 - Compensation payments.
- In adhering to all relevant laws, regulations and trust policies:
 - establish levels of remuneration which are sufficient to attract, retain and motivate all staff covered by these terms of reference with the quality, skills and experience required to lead the trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the trust;
 - use national guidance and market benchmarking analysis in the annual determination of remuneration of executive directors [and senior managers earning over £70,000 or accountable directly to an executive director and on locally-determined pay], while ensuring that increases are not made where trust or individual performance do not justify them;
 - be sensitive to pay and employment conditions elsewhere in the trust.
- Ensure the annual performance of Board Directors is undertaken and evaluate on an exceptional basis the performance of Board Directors on the advice of the Chief Executive/Chairman. This will include consideration of this output when reviewing changes to remuneration levels.
- Advise upon and oversee contractual arrangements for executive directors, including but not limited to termination payments to avoid rewarding poor performance.
- Receive and approve an annual report on Clinical Excellent Awards.

4 Membership

The membership of the committee shall consist of:

- *the trust chair;*
- *two other non-executive directors;*
and in addition, when appointing executive directors other than the chief executive

- the chief executive

The trust chair shall chair the committee.

The Director of People and Culture will be in attendance when required.

5 Quorum

Two core members must be present, of which at least one must be the Chair and one must be a substantive Non-Executive Director.

5 Frequency of meetings

Meetings shall be called as required, but at least once in each financial year.

6 Attendance

Committee members are expected to attend all meetings,.

7 Record of Business

Formal minutes shall be taken of all committee meetings.

The committee will report to the board after each meeting.

The committee shall receive and agree a description of the work of the committee, its policies and all executive director emoluments in order that these are accurately reported in the required format in the trust's annual report and accounts.

The Company Secretary is responsible for the administration of the committee.

8 Performance evaluation

As part of the board's annual performance review process, the committee shall review its collective performance

9 Review Period

Terms of reference will be reviewed annually.

KS/ToR RemCo v2.1
February 2020

Terms of Reference

TRUST MANAGEMENT EXECUTIVE

Version: 1.3

Terms of Reference approved by: Trust Management Executive/trust board

Date approved: April 2019/March 2020

Author: Company Secretary

Responsible directorate: CEO

Review date: March 2021

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

TRUST MANAGEMENT EXECUTIVE

TERMS OF REFERENCE

1 Authority

The Trust Management Executive (TME) is authorised by the Trust Board.

2 Purpose

TME will be the primary executive decision making body for the Trust. It is set up to drive the strategic agenda for the Trust. TME will drive the business objectives for the Trust. It will ensure that the key risks are identified and mitigated as well as ensuring that the Trust achieves its financial and operational performance targets. TME will ensure that its work upholds the Trust vision of *Putting Patients First*, working in partnership to provide the best healthcare for our communities, leading and supporting our teams to move 4ward.

3 Membership

Chief Executive
Deputy Chief Executive/Chief Operating Officer
Chief Medical Director
Chief Nursing Officer
Chief Financial Officer
Director of People and Culture
Director of Communications and Engagement
Director of Strategy and Planning
Chief Digital Officer
Company Secretary
Divisional Director – Surgery
Divisional Director – Women and Children
Divisional Director – Speciality Medicine
Divisional Director – Urgent Care
Divisional Director – Specialised Clinical Services
Director of Medical Education
Director of Estates and Facilities
Chief Pharmacist
Deputy CMO
AHP Lead

If Executive Directors are unable to attend, deputies can attend in their absence. If DMDs are unable to attend, the Divisional Director of Nursing or the Divisional Operations Director may attend in their absence. It is the responsibility of the Director who cannot attend to fully brief the deputy.

Other staff will be invited as appropriate.

4 Arrangements for the conduct of business

4.1 Chairing the meetings

The CEO shall chair TME and the Deputy CEO will be the deputy chair.

4.2 Quorum

A quorum will be when 50% of members (10) are in attendance, including two divisional directors and two voting members of the Trust Board.

4.3 Frequency of meetings

The Group shall meet at least 12 times a year (once a month).

4.4 Attendance

Members are expected to attend all meetings, with a minimum of at least 10 meetings per year.

4.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

4.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one.

4.7 Secretariat support

Secretarial support will be through the CE secretariat.

5 Duties

In discharging the purpose above, the specific duties of TME are as follows:

- Oversee the development of the annual plan for the Trust.
- Manage the delivery of the plan.
- Manage the delivery of the medium term financial plan including the productivity and efficiency plan.
- Identification of the risks to the delivery of the strategic objectives and ensuring mitigation of those risks.
- Oversee the divisional working and receive reports relating to the performance of the divisions as they relate to the achievement of the plan.
- Ensure that risks to patients are minimised through the application of a comprehensive risk management system.
- Ensure those areas of risk within the Trust are regularly monitored and that effective disaster recovery plans are in place.
- Escalate to the Audit and Assurance Committee and/or Trust Board any identified unresolved risks arising within the scope of these terms of reference that require executive action or that pose significant risks to the operation, resources or reputation of the Trust.
- Approve service delivery change plans or make recommendation to Trust Board for approval.
- Receive and action relevant external and internal reports on trust activity, regulatory compliance and peer reviews.
- Monitor the actions associated with internal audit reports, by exception.
- Review progress against key quality and people and culture plans.
- Oversee the corporate performance of the Trust and take appropriate action to rectify if required.

- Approve business cases up to the delegated limit and onward to Finance & Performance Committee as appropriate.

6. Relationships and reporting

6.1 TME is accountable to the Trust Board and will report to the Trust Board at each meeting.

6.2 TME will receive reports from:

- Clinical Governance Group
- Risk Management Group
- Health and Safety Group
- Strategy and Planning Group
- Performance Review Meetings
- Cancer Improvement Group
- Information Governance Steering Group
- Emergency Planning Group
- Finance Implementation Service Group

TME will set up task and finish groups as appropriate.

7 Review Period

Terms of reference will be reviewed by March 2021.

KS/ToR TME
January 2020