

Council of Governors (in Public) Item 13.1

Subject: Corporate Governance Statement 2023/24
Date of Meeting: 5th March 2024
Presented by: Karan Wheatcroft, Director of Risk and Improvement
Purpose: To Consider

1. Executive Summary

Boards are required to ensure that they have in place effective systems to ensure compliance with the provider licence. In previous years the Trust was required to make an annual declaration in respect of the following licence provisions:

- i) Corporate Governance Statement
- ii) Systems for compliance with licence conditions
- iii) Availability of Resources
- iv) Certification on AHSCs (Academic Health Sciences Centre) and Governance, and
- v) Training of Governors

Following the introduction of the new Provider Licence and Code of Governance, the Annual Reporting Manual for 2023/24 (published 19th February 2024) no longer has the requirement to submit a Corporate Governance Statement.

As we work through the requirements for the annual report, we felt it prudent to continue to share this paper as an opportunity for COG views to form part of any declarations now required. The Council of Governors (CoG) is asked to consider the statements and provide any views on these for consideration by the Board. The Board will review a range of assurances to inform the declaration process.

2. Background

The Single Oversight Framework no longer makes reference to the Corporate Governance Statement and this has been removed from the new Provider Licence for 2023/24. Whilst the statement is no longer a specific requirement, it is expected that Boards will maintain effective governance and be able to demonstrate that they have reviewed their systems for compliance with licence conditions and confirmed compliance, having considered any risks and mitigations.

The new Provider Licence requires organisations to “apply those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a provider of health care services to the NHS”.

3. Corporate Governance Statement

It is critical that the Board is satisfied with the controls and assurances in place to support its self-declaration compliance process, in the event that there is a breach or potential risk of breach of the governance conditions within the provider licence.

The Board will take reasonable assurance from management and the general work of internal audit, Audit Committee and the Board Assurance Committees throughout the year that the controls upon which the organisation relies to manage these areas are suitably designed, consistently applied and effective.

Throughout 2023/24, the governance arrangements have continued to operate including the command and control structures established to support the Trust's response to the coronavirus pandemic.

4. Systems for compliance with licence conditions

The Audit Committee has undertaken a detailed review of each of the provisions of the provider licence on an annual basis and has in place a system for quarterly review of a checklist of key licence conditions, to ensure that any emerging risks to compliance with the licence are identified and mitigated at an early opportunity.

The Audit Committee will receive the annual compliance review in March 2024, and throughout 2023/24 has monitored the checklist, with the following exceptions noted:

- During 2023/24 the quarterly reviews have highlighted that the Trust continues to manage the recovery of waiting lists, alongside the challenges of continued industrial action, staffing constraints and operational pressures. These areas continue to have strong oversight through the Executive Team, respective assurance committees and the Board.
- An extensive well led self-assessment has been completed in 2023/24. Further discussion is required to determine the timing of an external well led review to ensure compliance with the Code of Governance (recommended every 3-5 years).

The systems for compliance with the licence conditions are well embedded, and the Board has received regular updates and modelling of financial assumptions, recovery plans and performance. Planning for 2024/25 is progressing in the context of system guidance and timeframes.

5. Availability of Resources

LHCH continues to be categorised as SOF 1 under NHSE's Single Oversight Framework.

The Board receives an annual going concern report as evidence to support compliance with this licence condition.

6. Certification on AHSCs and Governance

The Trust has academic / research partnership with LHP (Liverpool Health Partners), a company limited by guarantee. This partnership does not fall within the definition of an AHSC (Academic Health Sciences Centre) or a major joint venture.

LHCH became the host for Health Innovation North West Coast from 1st April 2020.

7. Training of Governors

The Health & Care Act requires Boards to ensure that governors are equipped with the skills and knowledge they need to undertake their role, through the provision of necessary training.

During 2023/24, the Trust has:

- i) Provided a local (electronic) induction pack for every new governor on appointment and an initial induction meeting with Chair.
- ii) Provided an annual induction day for new governors and for existing governors who would like a refresher (externally facilitated) – this event was conducted via Zoom.
- iii) Provided an annual Governor development day, part of which is dedicated to joint working with the Board - this event was conducted face to face.
- iv) Provided access to the NHS Providers' *Govern Well* Programme.
- v) Provided opportunity for governors to attend the NHS Providers Annual Conference.
- vi) Provided opportunity for governors to attend Virtual Governor Workshops organised by NHS Providers.
- vii) Delivered presentations at CoG meetings to brief governors on aspects of services provided by the Trust as requested.
- viii) Provided resources and supported Governors to deliver a programme of member engagement events and newsletters.
- ix) Published specific public and staff Governor pre-election material for prospective governors clarifying the role and skills and time commitment required.
- x) Held monthly Chair's Lunch meetings to ensure regular contact and discussion with the Chair, including an opportunity to share and discuss key topics.
- xi) Provided regular written communications bulletins to Governors.
- xii) Continued to run and support the Membership and Communication Sub Committee which offers Governors the opportunity to shape and implement the Trust's membership strategy.
- xiii) Supported Governor members of the Nomination and Remuneration Committee (NEDs) to review the Chair and NED succession plan, and manage the Chair and NED recruitment and re-appointments.
- xiv) Continued to provide Governor development sessions related to key assurance committees.

8. Recommendation

The Council of Governors is asked to review the paper and attached statements and to provide any views for consideration by the Board of Directors.

Should any exceptional issues arise from the Board of Director's discussion or there is a notified change in regulatory requirements then these matters will be highlighted to Governors at the next COG meeting.