

## SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

**EXECUTIVE SUMMARY**  
**REPORT TO THE BOARD OF DIRECTORS**  
**18 MAY 2011**

<b>Subject:</b>	Annual Plan Declarations and Self-certification
<b>Supporting Director:</b>	Neil Riley, Trust Secretary
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**PURPOSE OF THE REPORT:**

To describe the Board Declarations and Self-certifications made as part of the 2011-12 Annual Plan submission to Monitor.

**KEY POINTS:**

- 2011-12 Annual Plan is to be submitted to Monitor by 31 may 2011.
- As part of the Annual Plan submission, the Board of Directors is required by Monitor to make statements against a number of declarations and self-certifications.
- The majority of the Board Declarations and Self-Certifications are relatively straightforward (see Appendix) but there are two matters of contention.
  - The readiness of the Trust to make Statement 1 without undertaking a formal assessment against the *Quality Governance Framework*.
  - The major challenge relates to the declarations on service performance, i.e. the delivery of 62-day cancer waiting time target (GP and Screening), Clostridium difficile and the emergency services target.

**IMPLICATIONS:**

<b>Achieve Clinical Excellence</b>	Nil
<b>Be Patient Focussed</b>	Nil
<b>Engaged Staff</b>	Nil

**RECOMMENDATION(S):**

The Board of Directors is asked to **APPROVE** all Board declarations and self-certifications, (including the original Statement 1, as required in 2010/11) will be provided to Monitor as required.

**KEY PERFORMANCE INDICATORS:**

Key Performance Indicator	Desired Performance	STH Performance (specify reporting period)

## BOARD OF DIRECTORS 18 MAY 2011

### 2011-12 MONITOR ANNUAL PLAN SUBMISSION

#### 1. Introduction

- 1.1 The 2011-12 Annual Plan document is to be submitted to Monitor by 31 May 2011.
- 1.2 The significant changes from the previous year are::
- the requirement for the Board to *have regard to Monitors Quality Governance Framework* [and] *its own information on serious incidents* [and] patterns of complaints when self certifying Statement 1 concerning the quality of healthcare provided.
  - the inclusion of a new self-certifying statement about elections to the Governors Council i.e. Statement 22
- 1.3 The Board needs to:
- Confirm whether or not the various Board declarations and self-certifications can be given. (See Appendix for supporting sources of assurance and comments.)

#### 2. Board Declarations and Self-certification

- 2.1 According to Monitor's *Compliance Framework 2011/12*, NHS foundation trusts are required to provide board statements certifying ongoing compliance with their Authorisation and other legal requirements, including, but not limited to:
- putting in place, maintaining and complying with arrangements for the purpose of improving the quality of healthcare provided by and for that trust – having regard to Monitor's *Quality Governance Framework*, complaints and serious incidents
  - delivering healthcare services to specified standards under agreed contracts with their commissioners
  - maintaining registration with the Care Quality Commission and addressing conditions associated with registration
  - operating effectively, efficiently and economically and as a going concern
  - complying with healthcare targets and indicators
  - governing themselves in accordance with best practice, maintaining the organisation's capacity to deliver mandatory services
  - growing a representative membership
  - cooperating with the Care Quality Commission and a range of NHS and non-NHS bodies which may have a remit in relation to the provision of healthcare services
  - disclosing information to Monitor and third parties according to the detailed requirements set out in their Authorisation
  - dealing openly and co-operatively with Monitor, including regarding potential or actual breaches of compliance with their Authorisation, or any serious reputational issues
  - complying with statutory requirements, their Authorisation, their constitution, their contracts with commissioners and guidance issued by Monitor
  - following the Principles and Rules for Co-operation and Competition (PRCC) and taking such action as may be required by Monitor, advised by the Co-operation and Competition Panel (CCP), to address a breach of the PRCC
  - having regard to the NHS Constitution
- 2.2 Monitor provides the following guidance re self certification in the *Compliance Framework 2011/12*:

### 2.2.1 Quality

Whilst acknowledging the primary role of CQC to monitor quality, Monitor considers that maintaining and improving quality is an important indicator of governance at a trust.

Statement 1 relates to having and keeping in place effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to patients. In order to make the latter statement the Board is expected to have “regard to Monitors Quality Governance Framework” and be able to:

- describe their own objectives for improving quality
- identify metrics to monitor quality in terms of clinical outcomes, patient or service user safety and experience, and expected levels of performance
- ensure they have in place systems, processes and procedures to monitor, audit and improve quality, including meeting their own objectives, healthcare targets and indicators and complying with all relevant legislation, and that relevant risks or shortfalls are identified, understood and mitigated
- maintain effective governance systems to monitor and report on cleanliness, patient safety and experience in a timely fashion
- consider serious incidents and patterns of complaints
- maintain a programme of internal audit review and independent assurance that supports the certification process.

Monitor has revised this statement for 2011/12. If the board is unable to make this statement in their annual plan or quarter one submissions, Monitor will require it to:

- (i) make the original statement, as required in 2010/11

and

- (ii) certify that actions will be taken in order to be in a position to make the revised statement by the trust’s quarter two submission.

As the Trust plans to undertake a formal assessment of current quality structures and processes against Monitor’s *Quality Governance Framework* and National Quality Board’s *Quality Governance in the NHS – A Guide for Provider Boards* in the immediate future, it is recommended that the Board make the 2010/11 statement pending the assessment and implementation of any recommendations by Quarter Two.

This is consistent with the decision to retain the Statement on Internal Control for 2010-11 rather than adopt the Annual Governance Statement which references the *Quality Governance Framework*.

### 2.2.2 Service Performance

In order to self-certify on service performance, Monitor would expect the Board to:

- have a full understanding of the basis on which healthcare targets are measured as included in their Authorisation and the Compliance Framework
- be confident that they are receiving accurate information as to current and expected levels of performance against each of the healthcare targets and any performance risk
- use forecasting and extrapolation of historic trends to help predict future performance
- satisfy themselves that systems are in place to ensure risk to delivery has been properly assessed
- maintain systems to monitor and regularly report on performance

- have an understanding, where performance issues have occurred or are predicted, as to how action plans will deliver the required improvements to meet each healthcare target indicator and Care Quality Commission registration condition
- require internal audit and, as appropriate, commission other independent advice to provide adequate assurance
- review and, as appropriate, challenge performance on an ongoing basis

### **3. Conclusions**

3.1 The majority of the Board Declarations and Self-Certifications are relatively straightforward (see Appendix) but there are two matters of contention.

3.1.1 The Board should consider the readiness of the Trust to make Statement 1 without undertaking a formal assessment against the *Quality Governance Framework*.

3.1.2 The major challenge relates to the declarations on service performance, i.e. the delivery of targets. The challenges relating to achievement of the 62-day cancer waiting time target (GP and Screening), Clostridium difficile and the emergency services target have to be acknowledged but it is felt that, on balance, the Board declaration can be signed.

3.2 The plan can give a very positive reflection of the achievements in 2010-11 and of the prospects for 2011-12, albeit that the significant risks will need to be successfully managed.

### **4. Recommendations**

The Board of Directors is asked to AGREE that all Board declarations and self-certifications, (including the original Statement 1, as required in 2010/11) will be provided to Monitor as required.

Neil Riley  
Trust Secretary  
May 2011

## 2011-12 ANNUAL PLAN

### BOARD DECLARATIONS AND SELF-CERTIFICATION

<u>BOARD STATEMENT</u>		<u>COMMENTS / ASSURANCE</u>
	<b>Clinical Quality</b>	
1	The Board is satisfied that, to the best of its knowledge and using its own processes (supported by Care Quality Commission information and including any further metrics it chooses to adopt), its NHS Foundation Trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.	<ul style="list-style-type: none"> <li>• Healthcare Governance Committee and other committees that report to it</li> <li>• CQC Compliance Review Group</li> <li>• SUI Committee</li> <li>• Robust work programme, including timetable of reports on specific issues</li> <li>• Robust governance infrastructure/arrangements</li> <li>• Unconditional registration with the CQC</li> <li>• Formal and informal processes for obtaining assurance, feedback, etc</li> <li>• Track record of prioritisation, improvement and investment</li> </ul>
2	The Board is satisfied that, to the best of its knowledge and using its own processes, plans in place are sufficient to ensure ongoing compliance with the Care Quality Commission's registration requirements.	<ul style="list-style-type: none"> <li>• Healthcare Governance Committee</li> <li>• CQC Compliance Review Group</li> <li>• Unconditional registration with CQC</li> <li>• Track record on CQC registration application</li> </ul>
3	The Board is satisfied that processes and procedures are in place to ensure all medical practitioners providing care on behalf of the NHS Foundation Trust have met the relevant registration and revalidation requirements.	<ul style="list-style-type: none"> <li>• Registration check process in place awaiting further clarification re revalidation requirements.</li> </ul>
	<b>Mandatory Services</b>	
4	The Board is satisfied that it expects its NHS foundation trust to be able to continue to provide the mandatory services specified in Schedule 2 and Schedule 3 of its Authorisation.	<ul style="list-style-type: none"> <li>• No proposed changes to Mandatory Services</li> </ul>
	<b>Service Performance</b>	
5	The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets (after the application of thresholds) and compliance with all targets due to come into effect during 2010/11.	<ul style="list-style-type: none"> <li>• Board and TEG monthly monitoring</li> <li>• Specific programmes supporting at risk performance targets i.e. 62 day cancer waiting times, CDiff and A&amp;E services target</li> <li>• Effective escalation of adverse performance leading to CEO summits, as appropriate</li> <li>• Track record of achieving access targets.</li> <li>• Business Planning processes.</li> </ul>

<b><u>BOARD STATEMENT</u></b>		<b><u>COMMENTS / ASSURANCE</u></b>
	<b>Risk Management</b>	
6	Issues and concerns raised by external audit and external assessment groups (including reports for NHS Litigation Authority assessments) have been addressed and resolved. Where any issues or concerns are outstanding, the Board is confident that there are appropriate action plans in place to address the issues in a timely manner.	<ul style="list-style-type: none"> <li>• Healthcare Governance Committee</li> <li>• Audit Committee</li> <li>• Process for managing external visits/inspections via Chief Executive's Office and Patient and Healthcare Governance.</li> <li>• Robust governance infrastructure/arrangements.</li> <li>• Level 1 NHSLA Risk Management and Maternity Risk Management.</li> </ul>
7	All recommendations to the Board from the Audit Committee are implemented in a timely and robust manner and to the satisfaction of the body concerned.	<ul style="list-style-type: none"> <li>• Minutes of Audit Committee submitted to Board and verbal update from Chair.</li> <li>• Audit Committee work - workplan and annual report to Board, high attendance levels, management support, etc.</li> <li>• Robust process for performance managing recommendations from relatively small number of 'D' grade audit reports.</li> </ul>
8	The necessary planning, performance management and risk management processes are in place to deliver the annual plan.	<ul style="list-style-type: none"> <li>• Finance Committee</li> <li>• Business Planning process.</li> <li>• CEO report to Board - Healthcheck, Finance, Infection Control, etc.</li> <li>• Performance Management Framework</li> <li>• Ad hoc Board reports..</li> <li>• Assurance Framework and Top Risks Report</li> </ul>
9	A Statement of Internal Control ("SIC") is in place, and the NHS Foundation Trust is compliant with the risk management and assurance framework requirements that support the SIC pursuant to most up to date guidance from HM Treasury (see <a href="http://www.hm-treasury.gov.uk">http://www.hm-treasury.gov.uk</a> ).	<ul style="list-style-type: none"> <li>• SIC in place for previous years.</li> <li>• 2010-11 draft SIC (as per Monitor guidance) with External and Internal Audit for review.</li> </ul>
10	The Trust has achieved a minimum of Level 2 performance against the key requirements of the Department of Health's Information Governance Toolkit.	<ul style="list-style-type: none"> <li>• Level 2 IGSoC</li> <li>• Information Governance Committee</li> <li>• Information Governance Annual Report to Healthcare Governance Committee</li> <li>• Internal Audit</li> </ul>
11	All key risks to compliance with the Authorisation have been identified and addressed.	<ul style="list-style-type: none"> <li>• Assurance Framework (Annually reviewed by Internal Audit)</li> <li>• Top Risks Report (included in Internal Audit of Risk Management)</li> <li>• Risk analyses as part of Annual Plan process.</li> </ul>

<b><u>BOARD STATEMENT</u></b>		<b><u>COMMENTS / ASSURANCE</u></b>
	<b>Compliance with the Authorisation</b>	
12	The Board will ensure that the NHS Foundation Trust remains at all times compliant with their Authorisation and relevant legislation.	<ul style="list-style-type: none"> <li>• Robust governance infrastructure/arrangements.</li> </ul>
13	The Board will ensure that the NHS Foundation Trust will, at all times, have regard to the NHS Constitution.	<ul style="list-style-type: none"> <li>• Staff awareness raised via general communication</li> <li>• Arrangements in place for meeting 2-week cancer wait and 18-week wait rights</li> </ul>
14	The Board has considered all likely future risks to compliance with their Authorisation, the level of severity and likelihood of a breach occurring and the plans for mitigation of these risks.	<ul style="list-style-type: none"> <li>• Board committees i.e. Audit Committee, Healthcare Governance Committee, Finance Committee, Human Resources Committee</li> <li>• Assurance Framework.</li> <li>• Top Risks Report.</li> <li>• .</li> </ul>
15	The Board has considered appropriate evidence to review these risks and has put in place action plans to address them where required to ensure continued compliance with their Authorisation.	<ul style="list-style-type: none"> <li>• Assurance Framework and quarterly Top Risks Reports regularly considered by the Board.</li> <li>• CEO report on key aspects of Trust performance</li> <li>• Work of Board committees.</li> </ul>
16	For an NHS Foundation Trust engaging in a major joint venture or any Academic Health Science Centre, the Board is satisfied that the NHS Foundation Trust has fulfilled, or continues to fulfil, the criteria set out in Appendix D4 of the Compliance Framework.	Not applicable
	<b>Board Roles, Structures and Capacity</b>	
17	The Board maintains its register of interests, and can specifically confirm that there are not material conflicts of interest in the Board.	<ul style="list-style-type: none"> <li>• Register of Interests in place and reviewed by Audit Committee</li> <li>• Interests reported via Annual Report.</li> </ul>
18	The Board is satisfied that all directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance, and ensuring management capacity and capability.	<ul style="list-style-type: none"> <li>• Recruitment processes.</li> <li>• Annual appraisals and objective setting.</li> <li>• Board development programme including quarterly Board strategic timeout.</li> </ul>
19	The selection process and training programmes in place ensure that the Non-Executive Directors have appropriate experience and skills.	<ul style="list-style-type: none"> <li>• Selection processes compliant with Monitor Governance Code.</li> <li>• Training and development programmes in place.</li> <li>• Appraisal system in place</li> </ul>

<b><u>BOARD STATEMENT</u></b>		<b><u>COMMENTS / ASSURANCE</u></b>
	<b>Board Roles, Structures and Capacity</b>	
20	The management team has the capability and experience necessary to deliver the annual plan.	<ul style="list-style-type: none"> <li>• Track record.</li> <li>• Experience Executive Director team</li> <li>• Annual appraisals and objective setting.</li> </ul>
21	The management structure in place is adequate to deliver the annual plan objectives for the next three years.	<ul style="list-style-type: none"> <li>• Management arrangements refreshed October 2009.</li> </ul>
	<b>Elections</b>	
22	The Board confirm that all elections to the Governors Council were held in accordance with the election rules, as stated in the constitution.	<ul style="list-style-type: none"> <li>• Electoral Reform Society</li> </ul>