

Proposed changes to ICB governance arrangements July 2023

NHS South East London Integrated Care Board (ICB) 19 July 2023

1. Introduction

1.1 The purpose of this paper is to summarise the proposed changes to the ICB's current governance structure in order to deliver the practical changes that will support the current governance review and its findings to date. Specifically it seeks to:

- Create more space in committee agendas to deal with strategic issues
- Re-evaluate the current levels of delegation to 'in scope' committees that exist to enable the organisation to conduct its business in an efficient way that retains good governance
- Review regularity of meetings to make best use of the ICB's executive and Non-Executive team's time
- Reduce unnecessary duplication

1.2 These proposals are detailed below for consideration by the Board with the intention to fully implement them from August 2023, or as soon as practically possible afterwards. The Board is asked to note that no changes to the Constitution will be required as a result of these changes and therefore no further external approval will be required once the Board has approved the proposals.

1.3 There may be further changes to other parts of the governance structure in future as the organisation seeks to optimise its approach in this area. Local Care Partnership (LCP) committees are 'out of scope' and proposals do not make changes to their delegation.

1.4 The Board is specifically asked to:

- APPROVE in principle the changes proposed
- APPROVE the new or revised terms of reference for its direct report committees, as detailed in section 5 below.

2. Proposed changes to committees

2.1 Changes in this area can be summarised as:

- Creation of a formal Executive Committee ("ExCo") reporting to the Board to manage the operational activity of the ICB (replacing the current ICB Executive) (**appendix A**)

- Creation of a Policy Review Group reporting to ExCo for policy review and recommendation to ExCo for approval (**appendix B**)
- Change to the approval of small responsibility allowances from the Remuneration Committee to ExCo and the addition of the ability for members to approve remotely (**appendix C**)
- Change in frequency of Board meetings held in public to four times per year
- Change in frequency of the Planning & Finance Committee (**appendix D**) and Quality & Performance Committee (**appendix E**) to quarterly and to align with the Board meetings held in public.

2.2 It should be noted that this proposal is not expected to impact the Terms of Reference for any of the other Committees of the Board. Likewise, no changes are required to the ICB's constitution or standing financial instructions.

2.3 Relevant changes have been made to:

- the **functions and decisions map (appendix F)** to add the Executive Committee
- the **scheme of reservation and delegation (appendix G)**. Specifically the following areas have been changed / added:
 - Approve detailed financial policies delegated to the Executive Committee (previously delegated in schedule of matters to the Audit Committee but now included in AC terms of reference, included in Planning & Finance TOR)
 - Approval of responsibility allowances payable to employees in Agenda for Change bands 2-7 which are less than £2,500 p.a. delegated to the Executive Committee
 - Approve human resources policies for employees and for other persons working on behalf of the ICB delegated to the Executive Committee (previously Planning & Finance Committee)
 - Approve quality and safety policies to minimise clinical risk, maximise patient safety and to secure continuous improvement in quality and patient outcomes delegated to the Executive Committee (previously Quality & Performance)
 - Approval of the ICB's risk management arrangements moved from Planning & Finance Committee to Audit Committee in line with the current terms of reference for the Audit Committee
 - Approve proposals for action on litigation and claims handling against or on behalf of the ICB moved from Planning & Finance Committee to Executive Committee
 - Approval of the ICB's arrangements for business continuity and emergency planning moved from Planning & Finance Committee to Executive Committee
 - Development of the ICB's Operational plans delegated to the Executive Committee
 - Authority for the Executive Committee to make decisions relating to operational matters, within the financial limits specified in the Schedule of Matters Delegated to Officers, where not explicitly delegated elsewhere or defined elsewhere in the Schedule of Matters

- Approval of Information Governance Policies delegated to the Executive Committee
- the **schedule of matters delegated to officers** (Appendix H) to reflect the approval limited for the Executive Committee referenced in this paper.

Executive Committee

- 2.4 Appendix A of this paper includes a proposed terms of reference for the Executive Committee.
- 2.5 Information to highlight from the terms of reference are:
- Decision making authority - the Committee will be expected to reach a consensus decision on matters which can be approved on behalf of the Board under its delegated authority, as shown in the Scheme of Reservation & Delegation, and within financial limits as detailed in the Schedule of Matters Delegated to Officers
 - Frequency – the Committee will meet fortnightly
 - Membership to comprise that of the current executive team meetings, with the addition of an acute trust representative and a minimum of one provider Chief Finance Officer at meetings where financial matters are discussed. In the event that no members on the executive hold a substantive position in a mental health provider, it is proposed that a mental health trust representative is also invited as a member.

Board Meetings

- 2.6 Board meetings held in public will take place four times in the calendar year. Where required, a part 2 meeting can be held in these months, after the meeting held in public, to enable the Board to discuss a matter in private if considered necessary to do so.
- 2.7 In the intervening months, with the exception of August and December when no meetings will take place, Board members will have the opportunity to convene together at Board operational meetings, which are not intended to exercise the Board's public functions but are considered critical for the Board's effective operation and where members attendance will be expected. Should an urgent matter arise, that cannot wait until the next Board meeting held in public, it can be discussed at these meetings with outcomes reported at the next Board meeting held in public.
- 2.8 A forward looking workplan for agendas for Board meetings held in public will be developed and presented to the Board for consideration, reflecting the shift of emphasis for the Board from review of information to receipt of assurance from its committees.

Impact on Quality & Performance Committee (QPC) and Planning & Finance Committee (PFC)

- 2.9 Impact on QPC and PFC is anticipated to be twofold at a high level:
- A change in frequency of meetings from monthly to quarterly, to align with the Board meetings held in public

- A shift in emphasis in some areas from receipt of detailed information/ decision to assurance from ExCo
- 2.10 In terms of the shift of role from QPC/PFC to ExCo, it is proposed that the following areas of responsibility in the terms of reference move to ExCo:
- **Approval of all policies and procedures (with the exception of detailed financial procedures which are delegated to the Audit Committee)** (with creation of a Policy Review Group to review policy detail and recommend approval to ExCo)
 - **Detailed review of performance** – with escalation by exception to QPC/ PFC
 - **Detailed review of risk registers** – with escalation by exception to QPC/ PFC
 - **Development of operational plans** – with assurance report to PFC
 - **Monitoring of delivery against financial and operational plans, and approval of corrective action as needed** – with assurance report to QPC/ PFC quarterly
- 2.11 In addition, where duties to “scrutinise” areas of subject expertise sit with QPC, it is proposed that the detailed scrutiny role is delegated to the subject matter expert sub-committees: Medicines Optimisation, IPC, Safeguarding, with an assurance report provided to QPC each quarter.

3. Delegated limits/ impact on schedule of matters delegated to officers

3.1 Financial limits proposed for decisions made in ExCo by consensus are:

- £10m Capital expenditure
- £5m revenue expenditure per annum (maximum £25m cumulative)

Please Note: As part of normal business processes, the financial limits delegated to officers in the schedule of matters will be reviewed and adjusted as appropriate in the context of the above proposal.

4. Next steps

- 4.1 Following Board approval the ICB’s Governance Handbook will be amended to reflect the changes and published on the ICS website.
- 4.2 Changes will be made to the corporate calendar and new invites sent to members for the revised Board and committee meeting dates.
- 4.3 Revised sub-committee terms of reference will be approved by the relevant committee to which it reports.
- 4.4 The Policy for Policies will be amended and approved by the Executive Committee following approval of these arrangements

5. The Board is asked to:

- APPROVE the proposed amendment to regularity of the Board, Planning & Finance, and Quality & Performance Committees
- APPROVE the revised terms of reference for the Planning & Finance Committee
- APPROVE the revised terms of reference for the Quality & Performance Committee
- APPROVE the revised terms of reference for the Remuneration Committee to reflect the change to approval limits
- APPROVE the creation of an Executive Committee and its proposed terms of reference
- APPROVE the proposed amendments to the Schedule of Matters Delegated to Officers
- APPROVE the proposed amendments to the Scheme of Delegation and Reservation
- NOTE the proposed creation of a Policy Review Group to support the Executive Committee in its work

Attachments

- [Appendix A – new terms of reference for the Executive Committee \(Exco\)](#)
- [Appendix B – new terms of reference for Policy Review Group](#)
- [Appendix C – amended terms of reference for the Remuneration Committee](#)
- [Appendix D - amended terms of reference for the Planning & Finance Committee](#)
- [Appendix E - amended terms of reference for the Quality & Performance Committee](#)
- [Appendix F - amended functions and decisions map](#)
- [Appendix G - amended scheme of reservation and delegation](#)
- [Appendix H – amended schedule of matters delegated to officers](#)