



Report to:	Integrated Care Board
Date of Meeting:	11 January 2023
Subject:	Formal Governance Review
Director Sponsor:	Karina Ellis, Executive Director of Corporate Affairs
Author:	Sasha Sencier, Corporate Affairs Team

STATUS OF THE REPORT: *(Please click on the appropriate box)*

Approve Discuss Assurance Information A Regulatory Requirement

SUMMARY OF REPORT:

Good governance is central to the running of Humber and North Yorkshire ICB. It helps us to meet our legislative responsibilities and provides assurance that we are conducting the duties required of a public body in an efficient and effective manner.

Our governance processes ensure that we are an accountable, transparent, ethical and well-led organisation. It not only gives our communities confidence in the ICB but also helps improve faith that staff, the public, NHS England and the Government have in us and our decision-making processes.

The ICB is committed to reviewing its governance arrangements throughout the financial year, but particularly at year-end for assurance purposes. It is also timely to set out a programme of review during the latter stages of the inaugural year of ICB operation.

The purpose of this paper is to set out the scope and timescale to the Executive Committee and ICB Board of the ICB's formal governance review to ensure the ICB is compliant for year-end reporting requirements.

RECOMMENDATIONS:

Members are asked to:

- i) Note that a version of this paper has been received by the Executive Committee.
- ii) Note the scope and actions of the Quarter 4 Governance Review, recognising the significant amount of work required to delivery this programme of work.
- iii) Note the methodologies detailed throughout the paper and appendices of this report which will be applied to support the delivery of the plan, including identified actions for the Executive Leads.



ICB STRATEGIC OBJECTIVE	
Realising our vision	☒
Improving outcomes in population health and healthcare	☒
Supporting broader social and economic development	☒
Tackling inequalities in outcomes experience and access	☒
Delivering our operational plan 2022/23	☒
Developing our ICS	☒

IMPLICATIONS	
Finance	The Finance, Performance and Delivery Committee is a Committee of the ICB Board and is required to undertake compliance reviews for year-end alongside all other ICB Board statutory and non-statutory committees.
Quality	The Quality Committee is a Committee of the ICB Board and is required to undertake compliance reviews for year-end alongside all other ICB Board statutory and non-statutory committees.
HR	The People Committee and Remuneration Committees are Committees of the ICB Board and are required to undertake compliance reviews for year-end alongside all other ICB Board statutory and non-statutory committees.
Legal / Regulatory	The HNY ICB Constitution states that the ICB Board and its Committees have a duty to carry out a review of effectiveness annual and report findings within the Annual Governance Statement.
Data Protection / IG	The Audit Committee is responsible for compliance in the areas of IG/Data Protection and will include information on these areas with year-end reporting.
Health inequality / equality	All Committees of the ICB Board have a role in ensuring we enact our duties in relation to health inequalities.
Conflict of Interest Aspects	No conflicts of interest have been identified prior to the meeting. Conflicts of interest compliance will be considered within the review and detailed within the Committees annual reports.
Sustainability	Not applicable.

ASSESSED RISK: There are no significant risks aligned to this paper, however it should be recognised that the Quarter 4 Governance Review is a significant programme of work and slippage may impact on the delivery of the Annual Report and Annual Governance Statement.

MONITORING AND ASSURANCE: The ICB Board is required to monitor the effectiveness of its governance arrangements, including its Committees.



ENGAGEMENT: Not applicable.

REPORT EXEMPT FROM PUBLIC DISCLOSURE

No Yes

If yes, please detail the specific grounds for exemption

Humber & North Yorkshire ICB Board Formal Governance Review

1.0 Introduction and Purpose

Good governance is central to the running of Humber and North Yorkshire ICB. It helps us to meet our legislative responsibilities and provides assurance that we are conducting the duties required of a public body in an efficient and effective manner.

Our governance processes ensure that we are an accountable, transparent, ethical and well-led organisation. It not only gives our communities confidence in the ICB but also helps improve faith that staff, the public, NHS England and the Government have in us and our decision-making processes.

The ICB is committed to reviewing its governance arrangements throughout the financial year, but particularly at year-end for assurance purposes. It is also timely to set out a programme of review during the latter stages of the inaugural year of ICB operation.

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When referring to the ICB Board and ICB Board Committees Chairs and Executive Director Leads, the following table should be referred to:

Meeting	Chair	Executive Lead
ICP Committee (Statutory)	Sue Symington	Stephen Eames
ICB Board (Statutory)	Sue Symington	Stephen Eames
Audit Committee (Statutory)	Stuart Watson	Jane Hazelgrave
Remuneration Committee (Statutory)	Mark Chamberlain	Jayne Adamson
Quality Committee (Statutory)	Mark Chamberlain	Teresa Fenech
Finance, Performance & Delivery ExCo	Jane Hazelgrave	Jane Hazelgrave / Amanda Bloor
Digital ExCo	Dr Nigel Wells	Dr Nigel Wells
Population Health & Prevention ExCo	Co-chaired: Director of Public Health (NYCC) / Chief Executive of CHCP	Amanda Bloor
People ExCo (Workforce Board)	Jason Stamp	Jayne Adamson
Clinical Care and Professional ExCo	Dr Nigel Wells	Dr Nigel Wells
Executive Committee	Stephen Eames	Stephen Eames

It should be noted that there are currently 4 statutory and 6 non-statutory committees, plus the Board, that are required to undertake year-end compliance reviews and this report relates to these arrangements.

Whilst the Place and Sector Collaboratives committees/boards that have been established are not part of this work, they will be subject to consideration through the work that is on-going in relation to the further development of the operating model for April 2023 onwards. This is a separate piece of work with interdependencies to this governance review and will run concurrently. The Executive Director of Corporate Affairs and the Deputy Chief Executive will work closely to ensure the interdependencies are managed and reflected.



It should also be noted that in late December 2022, NHS England (NHSE) communicated that they are developing various resources to support ICB governance reviews. This is still a work in progress, the Chair of the Integrated Care Board is engaged in the development and the Executive Director of Corporate Affairs is being kept briefed by the regional team. This review will be cognisant of any information as it is made available.

The ICB is fully committed to involving partners in all aspects of the governance review and will seek assurance from partner organisations through Board and Committee Membership.

Additional assurance will also be gained through year end Internal Audit reviews. Evidence will be gathered and tested, strengthening the overall opinion of assurance. Any recommendations agreed with Internal Audit on the outcome of the audits will help to inform our future thinking and culminate in a continuous cycle of improvement. We will look to involve Internal Audit in the work to ensure their expertise and knowledge relating to other ICBs is considered.

2.0 Quarter 4 Formal Governance Review

It is proposed that the governance review this will be completed using a multi-faceted approach, as identified at Appendix A. The culmination of the various governance reviews, detailed within this report, will provide an assessment of any development requirements, and will support the completion of the Annual Report and Accounts 2022/23, of which a critical part is the Annual Governance Statement.

As a newly formed organisation, the review will also provide an ideal opportunity to sense check the ICB's governance arrangements after operating for 6-9 months. This will help to further develop the corporate business cycle by reviewing key interdependencies across the ICB Board committees, creating the essential battle rhythm required for efficient and effective delivery of organisational priorities.

It should be noted that the timeline has been developed in line with the corporate calendar. Due to the frequency of some of the Committees meeting, there will be a requirement to review and/or approve some elements virtually, by email, or by calling extraordinary meetings depending on the Chair's preference. Any concerns around the timing of meetings to meet the required timescales will be communicated to Chairs in advance – this is captured within a more detailed programme plan, which sits behind the timeline at Appendix A.

2.1 Constitution

The HNY ICB maintains a Constitution and associated Standing Orders, both of which have been approved by NHS England when the ICB was first established on 1 July 2022.

The ICB is required to review the Constitution and Standing orders on an annual basis, or sooner if required, and report any requirements to update the documents for the financial year. The ICB will need to consider:

- General updates that NHSE has requested all ICBs need to make to their Constitutions and Standing Orders.
- Practical updates and improvements that the ICB has identified need to be made to ensure synergy and consistency across all governance documents of the ICB.
- Possible updates regarding new sections of the Health and Care 2022, which give organisations greater flexibility to collaborate in exercising their statutory functions, either through delegation or joint exercise of those functions. The ICB awaits further guidance from NHSE on this matter.



As detailed within the Constitution, any changes will not be implemented until, and are only effective from, the date of approval by NHSE. The timeframe at appendix A and within the more detailed programme plan allows sufficient time for NHS England approval, however there is a risk identified that any delays could cause slippage in the plan.

2.2 Governance Handbook

The HNY ICB maintains a Governance Handbook which sets out our governance structures and arrangements, including respective terms of reference, decision making powers and membership.

The Governance Handbook brings together a wide range of documents that support our Constitution and our commitment to the principles of good governance.

For the purposes of the Q4 governance review, the below documents will be considered. This excludes the terms of reference of the ICB Board Committees as these are detailed within the *Committees Compliance and Effectiveness Reviews (See 2.4)*:

Document	Review Lead Directorate
Governance Handbook – Overview and General Sections	Corporate Affairs Directorate
Standing Financial Instructions	Finance and Investment Directorate
Operational Scheme of Delegation	Finance and Investment Directorate
Scheme of Reservation and Delegation	Corporate Affairs Directorate
Governance Structure and Summary	Corporate Affairs Directorate
Functions and Decisions Map	Corporate Affairs Directorate

2.3 ICB Board Annual Review of Effectiveness

The HNY ICB and ICP is committed to reviewing their own effectiveness annually.

It is proposed that a self-assessment is completed by the Governance Lead with input from the Chair and Chief Executive, which is then reviewed / discussed and accepted by the ICB Board. The proposed assessment (Appendix Bi) utilises Healthcare Financial Management Association (HFMA) Audit Committee Handbook guidance and helps to determine if the ICB Board and ICP have carried out their duties effectively.

As a newly established ICB, it is proposed that a further assessment is carried out after the completion of year-end to examine how the ICB compares with the UK Corporate Governance Code, from the Financial Reporting Council. The code is part of a framework of legislation, regulation and best practice standards which aims to deliver high quality corporate governance. This additional assessment is not time critical to year-end for 2022/23 but will help to consider any gaps that need to be addressed before year-end 2023/24.

2.4 ICB Board Committees Compliance and Effectiveness Reviews

The Constitution requires that all Committees (both statutory and non-statutory) of the ICB must:

1. undertake an annual assessment of the effectiveness of the committee,
2. review the committee’s terms of reference annually,
3. produce an annual report to the ICB on the work of the committee which will form part of the Annual Governance Statement,
4. submit the confirmed minutes of each of its meetings, for information, to the ICB board,



5. provide a committee chairs' update report to the ICB board, alongside the confirmed minutes, summarising the decisions taken by the committee and the assurances that can be provided to the ICB board on its activities.

The ICB will complete a series of reviews, as detailed below. As part of the Internal Audit review of ICB governance and risk management arrangements, the requirements detailed above will also form part of the testing on these audits.

It should be noted that there are currently 4 statutory and 6 non-statutory committees that are required to undertake year-end compliance reviews. There are no formal of the Sector Collaboratives or joint committees established at Place, so reviews are not required at this stage.

2.4.1 Annual Assessment of Effectiveness

It is proposed that the self-assessment at Appendix Bii is completed for all Committees (with the exception of the Audit Committee) by the Governance Lead with input from the Committee Chair and Executive Director Lead, which is then reviewed / discussed and accepted by the Committee. The outcome of the reviews will be presented together to the Board, as assurance that Committees are carrying out their duties effectively.

The template for the effectiveness review of the Audit Committee differs as there are additional areas that are required to be considered (See Appendix Biii).

In reviewing the effectiveness of the Committees, a key part will be to review key interdependencies to create the essential battle rhythm required for efficient and effective delivery of organisational priorities.

2.4.2 Review of Terms of Reference

It is proposed that the terms of reference are reviewed by the Governance Lead, the Committee Chair and Executive Director Lead, which is then reviewed and approved by the Committee. The approved terms of reference will then be required to be ratified by the ICB Board.

2.4.3 Committee Annual Report

It is proposed that a standardised template is used across all Committees (Appendix C). The annual report will be drafted by the Governance Lead and secretariat of each Committee, with input from the Committee Chair and Executive Director Lead. The annual report will then be reviewed and approved by the Committee before going to the ICB as assurance that the Committees are carrying out their duties effectively.

2.4.4 Committee Minutes and Committees Chairs Report to the ICB Board

Internal Audit will lead on compiling and testing this information which will help to inform the outcome of their opinion on the finalised audit.

3.0 Next Steps

It is proposed that the below next steps will be undertaken:

- Named leads will be identified within the Corporate Affairs Directorate to support the programme of work.
- Named leads will be identified within the Finance and Investment Directorate to support the work on the Operational Scheme of Delegation and the Standing Financial Instructions.
- An email will be circulated to engage with the Chairs and Executive Directors informing of the process and timeline to complete the governance review.



4.0 Recommendations

Members are asked to:

- i. Note that a version of this paper has been received by the Executive Committee.
- ii. Note the scope and actions of the Quarter 4 Governance Review, recognising the significant amount of work required to delivery this programme of work.
- iii. Note the methodologies detailed throughout the paper and appendices of this report which will be applied to support the delivery of the plan, including identified actions for the Executive Leads.

END.

Appendices	
A	Governance Review Timeline
Bi	ICB Board Self-Assessment Effectiveness Review
Bii	ICB Board Committees Self-Assessment Effectiveness Review
Biii	ICB Board Audit Committee Self-Assessment Effectiveness Review
C	ICB Board Committees Annual Report Template