

## HS Paper 37/19

# Board Meeting: 27 September 2019

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**NHS Health Scotland Board Governance until Dissolution Priority Action Plan**

Recommendation/action required**:**

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| The Board is invited to:Discuss the NHS Health Scotland Draft Board Governance until Dissolution Priority Action Plan (Appendix 1),Agree this gives sufficient assurance of good governance of NHS Health Scotland (NHSHS) business and associated risks until the Board’s dissolution on 31 March 2020 andApprove the Action Plan. |

## Author: Sponsoring Director:

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| Della Thomas  Executive and Governance Lead | Gerry McLaughlin  Chief Executive |

**18 September 2019**

**NHS Health Scotland Board Governance until Dissolution Priority Action Plan**

## Purpose

1. The purpose of this paper is to invite the Board to review the priority action plan for the dissolution of NHS Health Scotland (NHSHS), so that the remaining duties of the Board are fulfilled up until 31 March 2020.

## Background

1. The priority actions (Appendix 1) have been developed following the full Board meeting on 17 May and subsequent discussions at the 7 June Audit Committee, the 21 June Board meeting and the 6 September Audit Committee.
2. Two main Board governance priorities were agreed:

i. Maintaining a well-functioning Board with sufficient numbers, skills, diversity and expertise to govern NHSHS business until 31 March 2020, maintaining existing Standing Committee functions and membership on behalf of the Board (given the Board now will function for a full financial year).

ii. Identifying any residual responsibilities which will require action beyond dissolution: in particular how the NHSHS externally audited annual accounts will be dealt with.

1. The action plan for these two areas and progress made are detailed in the priority action plan in Appendix 1.
2. The 17 May Board meeting approved further scheduling of Board and Committee meetings from 1 December – 31 March 2020.
3. In light of the Board continuing for a full business year, it was agreed that an Annual Effectiveness Report would be produced after all, and that this will be considered at the 27 September Board meeting.
4. The 17 May Board meeting expressed concern about the potential risk that the new Public Health Scotland (PHS) Board is not fully operational by 1 April 2020. It was agreed that this risk should be considered again at the 27 September Board meeting. Further to this we are aware that the Public Health Reform Team have a plan to work with the Public Appointments Team to begin the PHS non-executive appointment process in October.

1. The 7 June Audit Committee considered internal and external audit reports, and discussed the suspension of the Health Governance Committee (HGC) and any risks this might pose to the Board’s good governance through to 31 March 2020. The Audit Committee also discussed the importance of achieving the right balance of Board “business as usual” governance, as well as the governance of change and transition. These two governance issues have been incorporated into the action plan in Appendix 1 as:

iii. Governance of the NHSHS strategic priorities and other business previously delegated to the HGC

iv. Balance of the governance of business as usual with the governance of change and transition

1. The 21 June Board meeting discussed an emerging risk relating to the establishment of the PHS Shadow Executive Management Team which could potentially lead to conflicts in accountability. A risk has been added to the NHSHS corporate risk register and the action plan as detailed in Appendix 1.

v. Conflicts in accountability for executives and senior managers with the formation of the PHS Shadow Executive Management Team

1. The Audit Committee discussed the draft Action Plan at its meeting held on 6 September 2019 and the Committee agreed they were comfortable to recommend it to the Board for their approval.
2. The Board is asked to consider whether the action plan gives sufficient assurance of good governance of the NHSHS business and associated risks until the Board’s dissolution on 31 March 2020 and approve the Action Plan.

## Finance and Resource Implications

1. The finance, resource and risk implications for the governance until dissolution and the strategic approach to the management of the NHSHS transition and change project will be taken as an overview by Audit Committee, on behalf of the Board. This has been, and will continue to be, reflected in this Committee’s revised 2019/20 schedule of business. The connection with the internal and external audit reports that cover the governance of transition and change has also been made.
2. The financial and staff resourcing of the governance of transition is covered in the 2019/20 Delivery Plan and will be scrutinised through Audit Committee and Staff Governance Committee.

**Staff Partnership**

## The Staff Partnership, staff engagement and involvement aspects of governance transition forms key components of the Staff Governance Committee’s revised schedule of business for 2019/20.

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## Communication and engagement

## The issues associated with the dissolution of the NHSHS Board and the associated change and transition relating to the establishment of PHS are standing items on the agenda with the Scottish Government Sponsor Team.

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## Corporate Risk

1. This paper and the associated action plan has aimed to record the priority actions for the dissolution of the Board from a Board governance perspective and highlight the plan to mitigate the associated risks. It relates closely to the risk 18.3 “Transition of governance” which was described as “As a result of the transition of governance to Public Health Scotland or a lack of contingency planning for a delayed start date, there is a risk there are gaps in accountability, resulting in reputational damage”.
2. The 18.3 risk has now been closed off and replaced with risk 19.3 “Risk of a conflict of accountability” which is described as “As a result of NHS Health Scotland’s involvement in the shadow executive and governance arrangements for Public Health Scotland, there is a risk of a conflict of accountability, resulting in liabilities and reputational damage”.

## Issues Associated with Transition

## This paper and the priority action plan (Appendix 1) responds to Board governance up until dissolution.

## It should be noted that whilst governance should aim to seek clarity, the period ahead is exceptional and there remains a degree of uncertainty. Whilst the proposals and recommendations in this paper aim to offer some responses to mitigate, the Audit Committee and in turn the Board will inevitably need to remain adaptive and thoughtful about other challenges as they present. There will inevitably need to be some flexibility in our responses, whilst aiming to fulfil the role of effective scrutiny and good governance.

## Promoting Fairness

1. The values and principles of human rights and fairness are embraced within the very working of the NHS Health Scotland Board and these values and principles have been advocated to the Public Health Reform Team and COSLA for inclusion in the new public health organisation and as part of our response to the PHS legislative consultation.

## Sustainability and Environmental Management

1. We do not have any particular sustainability and environmental issues associated with the governance until dissolution currently. Our assumption is that the new organisation will operate from the same facilities and buildings in 2020.

1. We continue to apply an approach to Board and Committee business that uses electronic devises as opposed to paper copies to contribute to environmental targets.

## Action/ Recommendations

## The Board is invited to:

## Discuss the NHS Health Scotland Draft Board Governance until Dissolution Priority Action Plan (Appendix 1),

## Agree this gives sufficient assurance of good governance of NHS Health Scotland (NHSHS) business and associated risks until the Board’s dissolution on 31 March 2020 and

## Approve the Action Plan.

**Della Thomas**

**Executive and Governance Lead**

**18 September 2019**

**Appendix 1**

**NHS Health Scotland Draft Board Governance until Dissolution**

**Priority Action Plan**

| **Board Governance priority** | **Actions** | **Lead(s)** | **Progress** |
| --- | --- | --- | --- |
| **1.** Maintain a well-functioning Board with sufficient numbers, skills, diversity and expertise to govern the business until 31 March 2020, maintaining existing Standing Committee functions and membership on behalf of the Board (given the Board now will function for a full financial year). | **1.1** Request forall non-executive member terms to be extended until 31 March 2020.  **1.2** All extension of terms have been made and have been formally accepted by each non-executive member.  **1.3** Board and Committees to be scheduled until 31 March 2020 and business and ToRs revised as appropriate. | Board Chair supported by Executive and Governance Lead | **1.1** Complete    **1.2** In progress  **1.3** Complete |
| **2**. Identify any residual responsibilities which will require action beyond dissolution: in particular how the NHSHS externally audited annual accounts will be dealt with. | **2.1** Agree with SG sponsor team that PHS will accept the NHSHS 2019/20 Annual Accounts and ensure these are scheduled in to the PHS Board business.  **2.2** Agree with the SG sponsor team what the NHSHS liabilities are for the passing over to PHS.    **2.3** Produce Standing Committee final reports for the final Board meeting in March.  **2.4** Develop a more informal relationship and handover process between the NHSHS Board and the PHS Shadow Board through the existing NHSHS Board Seminars scheduled in December 2019 and February 2020, as well as inviting the PHS Shadow Chair to the 27 September Board meeting with the Minister. | CEO supported by the Head of Finance, Director of Strategy and the Executive and Governance Lead | **2.1** Complete  **2.2** In progress  **2.3** Scheduled into Committee and Board business  **2.4** In progress |
| **3.** Ensure robust governance of the NHSHS strategic priorities and other business previously delegated to the HGC over the full business year. | **3.1** In addition to the quarterly performance reports, the Board has received reports on the specific strategic priority issues of “MESAS and engagement with the alcohol industry” and “Health and Work Strategic direction”. Subsequently it was agreed that the “MESAS Programme Board Health Scotland related risks” and  “Health and Work Management of Risks” will be included in the CEO Board report at all Board meetings.  **3.2** Any emerging strategic priority issues will be responded to through full Board reports or as part of the scheduled Board Seminars. For example, suicide prevention and the mental health priority work will be covered at the 4 October 2019 Board Seminar.  **3.3** TheGovernance of (CR) 19-6 risk, which was the role of the HGC now appears at each Board meeting for assurance. Risk 19-6:“As a result of not engaging local authority and third sectors in creating the new public health body, key perspectives are not heard, reducing its credibility”.  **3.4** If there is business that cannot be adequately governed in the above ways, then the HGC meetings which remain in the members calendars will take place. | Board Chair, Chair HGC, HGC members, CEO supported by Executive and Governance Lead | **3.1** Process in place  **3.2** Process in place  **3.3** Process in place  **3.4** Process in place |
| **4.** Ensure a balance of the governance of business as usual with the governance of change and transition. | **4.1** From the 21 June Board meeting onwards, the Board will no longer receive a specific “Change and Transition” report. Instead the focus of the governance of change and transition will be through papers to the Board Standing Committees and updates which will be circulated to all Board members electronically. Any other key change and transition issues will be included under a heading in the CEO report to each Board meeting.  **4.2** Chairs and members will all remain alert to the balance of their role in governing and scrutinising NHSHS business as usual and governing the Board through to dissolution. | Board Chair, Committee Chairs, all Board members | **4.1** Process in place  **4.2** In progress |
| **5.** Ensure that any potential conflicts in accountability for NHSHS executives and senior managers with the formation of the PHS Shadow Executive Management Team are understood and responded to appropriately. | **5.1** Creation of new risk as part of the corporate risk register 19.3 “Risk of a conflict of accountability” which is described as “As a result of NHS Health Scotland’s involvement in the shadow executive and governance arrangements for Public Health Scotland, there is a risk of a conflict of accountability, resulting in liabilities and reputational damage”.  **5.2** Report this risk to Audit Committee and Board.  **5.3** Include a report on potential conflict of Board accountabilities as a section of the CEO’s Board report from 27 September 2019 Board onwards. | CEO and Board Chair | **5.1** In progress  **5.2** In progress  **5.3** Process in place |