



Delegated decision making to Place

NHS South Yorkshire Integrated Care Board

5 May 2023

2223/SYICB/10

Final Report

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Distribution

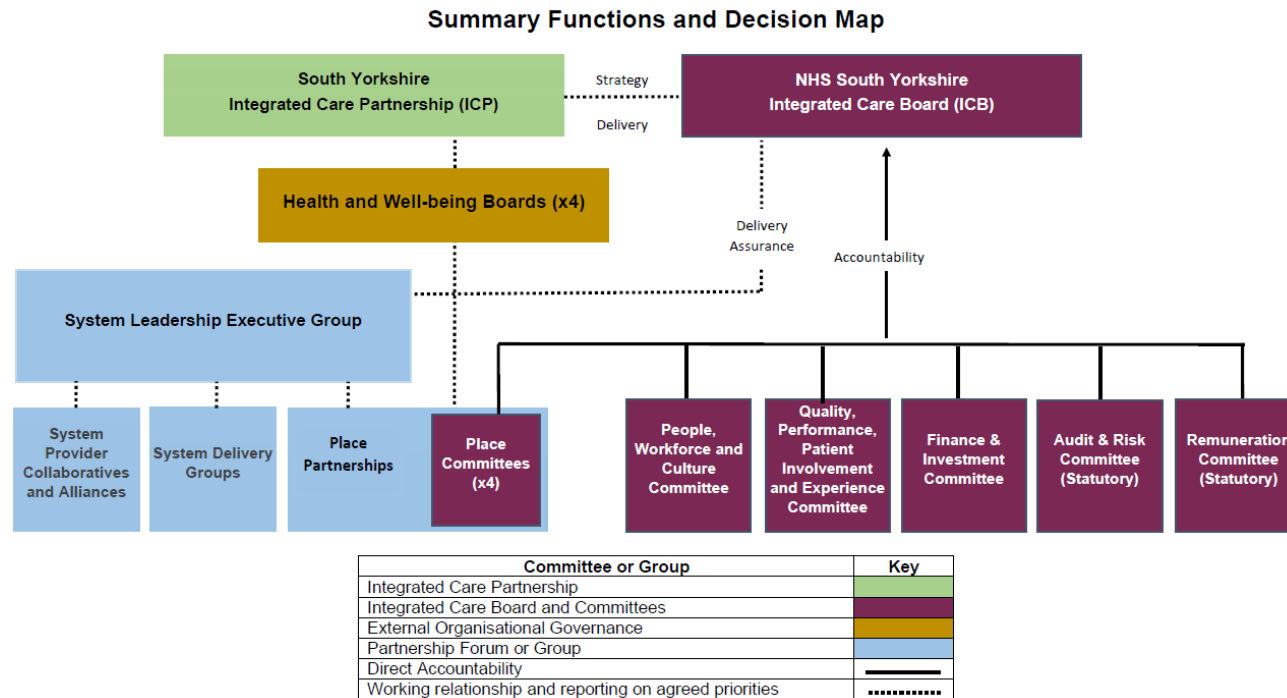
| Name, Job Title | For action | For information |
|--|------------|-----------------|
| Chris Edwards, Executive Place Director (Rotherham) | ✓ | |
| Anthony Fitzgerald, Executive Place Director (Doncaster) | ✓ | |
| Wendy Lowder, Executive Place Director (Barnsley) | ✓ | |
| Emma Latimer, Executive Place Director (Sheffield) | ✓ | |

The report has also been shared with the organisation's standard distribution list for internal audit reports.

Introduction and background

We have completed an advisory review in respect of NHS South Yorkshire Integrated Care Board’s (SYICBs) readiness for Delegated Decision making to a Place in accordance with the Public Sector Internal Audit Standards.

The diagram below presents a high-level summary of the SYICB governance structure.



Source: South Yorkshire ICB website “How we make decisions”

The focus of our review was on the ICB Place Committees that “provide a mechanism for delegation within the ICB so that decisions on priorities and resources can take place locally in each place with wider health and care partners”. They are accountable to the Board. The ICB’s Scheme of Reservation and Delegation (SORL) (1 July 2022) sets out in detail the “decisions and functions reserved by the Board or delegated to a committee or individuals”. Each Place has a Place Committee (referenced this report as a Place Board) and Place Directors have delegated authority from the ICB to manage the budget but currently, formal responsibility for decision making has not yet been delegated to Place.

Objective

The overall objective of our review was to assess the readiness of the Place Partnerships to take on delegated responsibility for decision making and to consider whether there are appropriate governance arrangements, through the Place Committees, to support this.

Audit opinion

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| Advisory | This review was undertaken on an advisory basis across the four Places: Barnsley, Doncaster, Rotherham and Sheffield in the SYICB. As arrangements are still developing, we have not sought to agree specific actions within this report but have instead highlighted areas for the ICB to consider as it continues to evolve. |
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Summary findings

Governance arrangements

- The underlying governance arrangements and procedures across all Places have been duly set up and are operating well. In particular, all four Place Board Terms of Reference (ToRs) are consistent and contain the ICB requirement for delegation of SORD responsibilities.
- Whilst the delegations were clear, it was noted that specific financial delegation limits to individuals in each Place had not yet been established. There is no clear view, in any Place, on how compliance with the delegations will be reported and what checks will be in place to monitor compliance or if there is a need for an assurance statement.
- For each Place the governance arrangements have been set out in Place Partnership Agreements and the ToR for each Place Board. These were ratified and signed off by all Place members at the first constituted Board meetings. Procedurally the Boards are working well with good collaboration and partnership working.
- Each Place has a different governance structure that reflects the local circumstances and requirements. It was seen to be a strength that local circumstances and history of partnership working should determine what model of governance was being used and which reflects that each Place has had a different starting point and speed of development.
- No Place has yet carried out any assessment of how well the governance arrangements are working and if any changes need to be made. However, all those interviewed agreed that a review would be good to do in the near future.
- Two critical elements of the governance arrangements still need to be finalised. The Board Assurance Framework and Risk Management

processes remain under development and are being structured from the ICB top down and then cascaded down to each Place Board in turn.

- The two Place Boards that we attended raised concerns over the impact of the ICB running cost allowances efficiency requirements - what this will do to the structure and resources available to support the current governance arrangements and whether there would need to be a revision in order to achieve the budget reductions.

Place membership

- Place membership is set out clearly in the Place Partnership Agreements and ToR. This includes the required members from the participating organisations, partner members and those in attendance. In addition, where there are sub-groups or committees in place, the membership of these is also set out in the ToR.
- All meetings were quorate (except for the first two Doncaster meetings). There have been no significant changes in membership and no problems with non-attendance.
- A Non-Executive Director has been assigned to each Place and has with a general understanding of the activities going on and the challenges faced that could then be directly fed back to the ICB Board. There was some debate about whether there should be a role for further NEDs to serve on each Place Board.
- Membership of the Boards and Committees at all four Places had good representation at CEO/Director and elected member level. Representation from member organisations was positive and it was felt that there was an equal voice for all attendees. Attendance was high and there was a good level of debate and questioning during the meetings.
- The level of public engagement and participation, however, is low. At the meetings we observed, we did not see any direct patient or community group voice represented on the Boards. However, we have been informed that Sheffield Healthwatch are an active member of the Sheffield Place Health and Care Partnership Board but were unable to attend the meeting that we observed.

Reporting from Place to ICB

- The ToR for each Place sets out the requirement for the Place Board and ICB to have clear reporting lines between them, but there is no specific clear guidance on how and what each Place should be reporting on. We noted that two Place Board meetings have a standing agenda item for “Risks and Items for Escalation to ICB” - this is a verbal item for the Chair to discuss. In addition, a monthly written report is produced which covers: Highlights; What is challenging; and Most proud of.
- The degree and depth of financial reporting and scrutiny is a mixed picture across the four Places. Some have little or no financial

reporting whilst others have detailed analysis and commentary.

- There was no evidence from the Board papers reviewed of any formal reporting of any significant financial or operational risk or actions required for ICB attention.

Place Committee Terms of Reference

Objective

To review and compare each Place Committee's Terms of Reference (ToR) checking for consistency with the Scheme of Reservation and Delegation (SORD) and between Places.

Findings

All four Place Board ToR contained the ICB requirement for delegation of SORD responsibilities. These were contained in Part 5 Remit and Responsibilities which sets out the delegated SORD responsibilities from ICB in the five areas of:

- Regulation and control
- Strategy and planning
- Partnership working
- Staffing and HR
- Risk management.

Whilst the delegations were clear, specific financial delegation limits to individuals in each Place have not yet been specified. We noted from our review of the documentation, and responses received in the interviews with the Executive Place Directors, that not many significant financial decisions had yet been made.

There is no clear view, in any Place, on how compliance with the delegations will be reported, the frequency of reporting or how compliance with the delegations will be measured. It is also not clear what checks will be in place to monitor ongoing compliance or if there is a need for an assurance statement.

Areas for consideration

- The ICB should consider specifying financial delegation limits to individuals in each Place to support future delegation of financial decisions.
- Each Place should consider how it ensures that the delegations have been complied with and agree with the ICB how this will be monitored and reported. This might include a form of assurance statement from each of the Places to the ICB Board.

Place Partnership Agreements

Objective

To consider whether the governance arrangements in place, and as described within Place Partnership Agreements, are appropriate to support decision making at Place and delivery of Place Plans.

Findings

For each Place the governance arrangements have been duly set out within the Place Partnership Agreements and the ToR for each Board. These were ratified and signed off by all Place members at the first constituted Board meetings.

Each Place has a different governance structure that reflects the local circumstances and requirements of each Place. From the interviews carried out there seemed to be a consensus that there did not need to be a one common model of governance across all Places. It was seen to be a strength that local circumstances and history of partnership working should determine what model of governance was being used. This also allows arrangements to reflect that each Place has had a different starting point and speed of development.

The Place Partnership Agreements determine the ToR for the main Board along with any sub-groups or committees. Each Place has a differently constituted delivery model that carries out most of the operational and financial detailed work and reporting. All these groups report back on their work to the main Board.

The ToR sets out the clear governance procedures regarding membership, frequency of meeting, quoracy, public or private meeting requirements.

Each Place is adopting different frequency and structure to their meetings; some are using both private and public sessions whilst for others, all meetings are held in public. It is not considered to be weakness to have a difference and all of the Executive Place Directors confirmed that they were happy with the current structure used.

Given the governance arrangements are still in the early stages of operation, no Place has yet carried out any assessment of how well they are working and if any changes are needed. The ToR and policies all have either a 6 or 12 month review date. All interviewees felt that a review of how the arrangements are working should be done at some point in the near future. No Place has yet determined the process or timing for a formal self-assessment review but Sheffield Place has identified a need to do an early interim, before the next meeting in June 2023.

Two critical elements of the governance arrangements are still to be finalised. The Board Assurance Framework and Risk Management processes remain under development and are being structured from the ICB top down and then cascaded down to each Place Board in turn.

The two Place Boards we observed raised concerns over the impact of the ICB running cost allowances efficiency requirements. The 30% real terms reduction from 2024/25 in the Place budget will have a detrimental impact on Place staff costs and resources available for governance.

Given that the Places have only recently become fully operational, the reductions that will now have to be identified in the current financial year may necessitate a significant shift in some of the governance structures and resources available to support the delivery of Place strategies and plans.

From the interviews carried out the following matters were identified:

- there was a clear view that each Place has embraced the change and there is ambition and goodwill of all participants to make it a success
- procedurally the Boards were working well with good collaboration and partnership working
- moving the venue for each meeting to a different location in the Place region was thought to be good practice to maximise engagement and accessibility
- a key objective of the Place is to drive innovation and change by doing things differently and/or better, but at present there is no financial budget or operational capacity to make it happen across the Place. There are pockets of good practice that each Place is proud of, but the factors of time, capacity and money are the barriers to significant improvement
- the degree and depth of financial reporting and scrutiny shows a mixed picture across the four Places. Some have little or no financial reporting whilst others have detailed analysis and commentary. There is general concern about the level of involvement by each Place Board on financial matters and the scrutiny of the financial position. In particular, the performance against budget for each month and the key risks and mitigations that should be highlighted. Each Place is working hard to improve the financial reporting both at a Place Board level but also at a granular level
- it is acknowledged by most that few significant financial or operational decisions had yet been made and that the Place Boards would only really be tested when difficult decisions are made in the challenging financial environment. Further concerns were made about the 30% reduction in running cost allowances and what that would do to the structure and resources available to support the current governance arrangements and whether there would need to be a revision in order to achieve the budget reductions.

Areas for consideration

- There is an urgent need to finalise the Board Assurance Framework and Risk Management processes for each Place.
- The ICB should agree the process and timing for each Place to self-assess how the governance arrangements are working and if any changes are needed. This should be carried out in conjunction with an overarching assessment of the impact of the 30% running cost allowance reduction and the impact this may have on the resources available for Place governance structures and procedures.

- The ICB should review the financial reporting requirements and level of Board scrutiny for each Place.

Place Committee Membership

Objective

To review the membership of each Place Committee to ensure that it is appropriate to make decisions delegated by the Board.

Findings

Place Board membership is set out clearly in the Place Partnership Agreements and ToR. This includes the required members from the participating organisations, partner members and those in attendance. In addition, where there are sub-groups or committees in place the membership of these is set out in the ToR.

From the attendance records received, all meetings were quorate (except for the first two Doncaster meetings), there has been no significant change in membership or problems with non-attendance.

Each Place Board has a nominated ICB Non-Executive Director (NED) who sits on the Board; this provides a good conduit to and from the ICB Board. From the interviews conducted, there was some debate about whether there should be a role for further NEDs to serve on each Place Board. It was felt that in the transition from CCGs, where NEDs played a lead role in governance, to the Place model where NED involvement is minimal, whether this was the right balance. The overall view was that in the early stages of Place development additional NEDs would not be needed but should be considered as the governance processes mature.

From the interviews conducted there was a common view that meetings of the Boards and Committees at all four Places had good representation at CEO/Director and elected member level. Representation from partner organisations was positive and it was felt that there was an equal voice for all attendees. Attendance was good and there was a good level of debate and questioning during the meetings.

The level of public engagement and participation is low, and this is made more challenging with the length and complexity of Place Board papers. This is covered in more detail in the Place Board observation section at [Appendix A](#).

From the two Board meetings that we observed, we noted that:

- some of the accompanying reports were long and detailed and included a lot of acronyms that may present a barrier to public engagement and accessibility
- no members of the public had attended either of the Place Board meetings since their inception or had presented any questions
- there was no direct patient or community group voice represented on the Boards. Whilst we note that Sheffield Healthwatch are an

active member of the Sheffield Place Health and Care Partnership Board, and have been present at previous meetings, they gave their apologies for the meeting that we observed. We have been advised that Sheffield Place has recently established a specific Community Development and Inclusion Group to work alongside its population to strengthen its engagement with its local community.

Areas for consideration

- The ICB should consider the future role of NEDs in the Place governance structure and seek to define their roles and responsibilities.
- Consideration should be given to whether a consistent approach for the use of public and private meetings is needed and to identify ways to increase public engagement and participation.
- Consideration should be given to whether there needs to be any direct patient or community group representation on each Board.

Place Committee Reporting and Escalation

Objective

To consider the arrangements for reporting and escalation between the Place Committees and the Board.

Findings

The ToR for each Place sets out the requirement for the Place Board and ICB to have clear reporting lines between them, but there was no specific clear guidance on how and what each Place should be reporting on.

For Doncaster and Rotherham Place Board meetings there is a standing agenda item for “Risks and Items for Escalation to ICB” - this is a verbal item for the Chair to discuss. In addition, a monthly written report is produced called “Update” which is sent to the ICB, this includes the following:

- Highlights
- What is challenging
- Most proud of

For Barnsley and Sheffield, from the Board papers reviewed, there is no similar standing agenda item or a monthly update report.

From the interviews conducted, it was clear that the reporting lines up from the Place to ICB were understood and operating well. A lot of the information flow was in the form of written reports and stories and examples of good practice about what is going on in each Place. The ICB NED

on each Place Board also helped with a general understanding of the activities going on and the challenges faced that could then be directly fed back to the ICB.

There was no evidence from the Board papers reviewed of any formal reporting of any significant financial or operational risk or actions requiring ICB attention.

Areas for consideration

- Clearer guidance should be given on how and what each Place should be reporting to the ICB Board.
- All Place Boards should consider having a standing item on the agenda to record “Risks and Items for Escalation to ICB”.
- Consideration should be given to extending the good practice of the monthly update report produced by Doncaster and Rotherham, to Barnsley and Sheffield.

| Purpose | Comments and observations | |
|--|--|--|
| <p>Two Place Board meetings were attended and observed.</p> <p>The purpose of these observations was to see at first hand the Board meetings in action and to:</p> <ul style="list-style-type: none"> • verify that the procedural and governance arrangements were being followed • was all business conducted in a timely, clear and professional manner • understand how the dynamics of the meetings flowed • see the level of debate and questions asked. | <p>Rotherham Place</p> <p>15 March 2023 – Oak House, Rotherham</p> <p>09.00 – 10.00am - Rotherham Place Board: PUBLIC Partnership Session</p> <p>[Started 9.00am – finished 9.55am] 17 people in attendance</p> <p>10.15 – 11.00 am Rotherham Place Board: ICB Business Session</p> <p>[Started 10.15am – finished 10.48am] 14 people in attendance</p> | <p>Sheffield Place Health and Care Partnership Board</p> <p>18 April 2023 - Sheffield City Council offices (it was noted that the location of meetings will move around the locality)</p> <p>09.00 – 11.30am – Public meeting which is split into three parts:</p> <ul style="list-style-type: none"> • Part 1 – Partnership Business • Part 2 – Joint commissioning business • Part 3 – ICB Sub committee business <p>[Started 9.00am – finished 11.40am] 20 people in attendance, a number of external presenters attended</p> <p>11.30 am – Private session</p> <p>[Started 11.40am - finished 12.08pm] – first ever private session to discuss 2023/24 Operating financial model</p> |
| <p>Overall comments</p> | <p>Governance arrangements were operating as expected, in particular:</p> <ul style="list-style-type: none"> • Board papers were circulated at least 7 days in advance of meeting • Meetings started and ended on time • Apologies were received and noted • Conflicts of interests were declared • Meetings were deemed quorate • Minutes of previous meetings were approved. | |

| Purpose | Comments and observations | |
|---------------------------------------|---|--|
| | <p>Meetings were well chaired, agenda items were taken in order, except to accommodate external attendees, ample time allowed on each item for debate and questions.</p> <p>Conduct and mood of the meetings was business-like, positive, good humoured, and action focussed.</p> <p>It was assumed that all attendees had read the reports; a brief introduction was made by the lead presenter and then straight into questions.</p> <p>No members of the public were in attendance or had submitted any questions. We also noted that no patient groups or representatives were in attendance although we were informed that Sheffield Healthwatch are an active member of the Sheffield Place Health and Care Partnership Board but could not attend the meeting that we observed.</p> | |
| Assess the quality of the Board Packs | <p>The pack contains an agenda of written and verbal reports. Written reports had an accompanying covering paper, where necessary, and the purpose of the report for approval/consideration/noting. Papers also detailed the necessary action/recommendations for the Board and the chair summed up the action to be taken forward at the end of every agenda item.</p> <p>We noted that some of the accompanying reports were long and very detailed although they did convey comprehensive levels of information and where necessary had executive summaries, dashboards, key indicators, and infographics. This level of detail may make the papers difficult to access - see comment below on public engagement.</p> <p>There was a standing agenda item for “Risks and Items for Escalation to ICB”. A monthly written report is produced called “Update” which is sent to the ICB, this includes the following:</p> <ul style="list-style-type: none"> • Highlights • What is challenging | <p>Board chair summary paper is a useful document that is used by the Place members to circulate to their own boards and a summary of what was discussed.</p> <p>Accompanying reports were well structured, succinct and clear.</p> <p>There was no standing agenda item for “Risks and Items for Escalation to ICB” or update report similar to that seen at the Rotherham Place Board.</p> |

| Purpose | Comments and observations |
|--|---|
| | <ul style="list-style-type: none"> • Most proud of <p>The reports used lots of organisational and clinical acronyms that were not necessarily defined. This potentially makes the papers difficult to understand and comprehend for both Board members and Board attendees who did not have a detailed knowledge of the subject matter. It was noted during the meeting that a glossary of terms and a defining convention should be introduced for future reports to aid understanding for the reader.</p> |
| <p>Determine public accessibility and engagement</p> | <p>The degree of public accessibility and engagement in the Board meetings is an area that the ICB may wish to explore further. The public are invited to attend and observe and ask questions at the public agenda meetings. In addition, Board papers are made available to the public on the website seven days before the meeting. Since the formation of Place Boards, no members of the public have attended any of the meetings and no questions have been submitted.</p> <p>Within the Sheffield Place, dates of meetings are published across all partners including Healthwatch and voluntary, community and faith (VCF) partners. The Sheffield Meetings are also being held at different venues to make the meetings more accessible; this is considered to be good practice.</p> <p>It is appreciated that these are not public forum meetings, but they are meetings that the public has a right of access to. For the Place to have a meaningful dialogue with the local residents and users of health services, all efforts should be made to further encourage public engagement through raising awareness of these meetings and making reports and documentation easily available, accessible and understandable.</p> |

| Scope area | Audit testing |
|--|---|
| <p>The overall objective of our review was to assess the readiness of the Place Partnerships to take on delegated responsibility for decision making and to consider whether there are appropriate governance arrangements, through the Place Committees, to support this.</p> | <p>To deliver this objective we have:</p> <ul style="list-style-type: none"> • reviewed documentation (ToR, agendas, papers and minutes) from Place Boards and the ICB Board (including private agenda items) • reviewed Place Partnership Agreements and Place Plans • carried out a mapping exercise of the governance structure across the four Places to assess similarities and areas of good practices • conducted semi-structured interviews with representatives at Place (for example Executive Place Director(s) and non-executive director(s)) to inform our assessment of the functioning of the Place Boards and their interface with the ICB Board • observed the Rotherham Place Board meeting on 15 March 2023 • observed the Sheffield Place Health and Care Partnership Board on 18 April 2023. |
| <p><i>Limitations of scope:</i></p> <p>The scope of our work was limited to the areas identified in the agreed Terms of Reference. Our review was undertaken on an advisory basis, across the four Places, of the readiness to take on delegation. We did not review how and where decisions have been made in the period to date.</p> | |

Contact details

| | |
|--|---------------|
| Leanne Hawkes, Director | |
| leanne.hawkes@nhs.net | 07545 423 040 |
| Kay Meats, Assistant Director (Client Lead) | |
| kay.meats@nhs.net | 07816 272 663 |
| Usman Niazi, Client Manager | |
| u.niazi@nhs.net | 07557 566 793 |
| Nick Simkins, Business Associate | |
| nick.simkins@nhs.net | 07873 754 645 |

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