Agenda item 13
Well led development review and functional model and governance review update
Board of directors 28th September

Report title	Well led development review and functional model and governance review update
Report from	Martin Kuper, Chief executive officer
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Link to strategic objectives	Working Together, Discover, Develop and Delivery, Sustainable and at Scale

Quality implications	
The improvements to governance mean that the board will have line of sight of all functional areas within the trust and can therefore receive assurance on all aspects of quality.	
Financial implications	
There are no financial implications relating to this paper.	
Risk implications	
Improvements have been made to risk policy and guidance and has been cascaded and a consistent approach on risk categorisation and management shared at every level of the trust. The process for risks flowing from Divisional level to CRR, and into each of the Board Sub-Committees has been clarified and will be further refined in line with the new board sub committee structure.	
Action required/recommendation.	
This paper is presented for noting and does not include recommendations.	

For assurance	✓	For decision		For discussion		To note	✓

1. Background

1.1 In response to Well-led development review (March 2022) findings, which highlighted a number of areas of challenge and opportunity with existing Trust governance, Moorfields commissioned a review of the top tiers of Trust governance in order to recommend how to evolve its structure and model.

1.2 The review aimed to identify challenges with the existing model/framework and to co-design the future state. The future state model aimed to improve clarity of structure, responsibilities and information/ reporting flow at an executive and Board level.

1.3 In the summer of 2022, Moorfields also finalised and launched their strategy "Excellence, equity and kindness at the forefront of eye care 2022-2027". The strategy brings together all aspects of Moorfields work across clinical care, research and education and applies to our NHS and commercial services, both in the UK and internationally.

1.4 The strategy sets out our purpose as 'working together to discover, develop and deliver excellent eye care, sustainably and at scale'. It places an emphasis on the opportunities to embrace the wider NHS commitment to integration by promoting joined up care for the communities we serve and make the most of opportunities created by digital technology.

1.4 To enable the governance review to reflect the ambitions set out in the strategy, Moorfields further commissioned a review into their functional model as there was consensus that it no longer aligned to the Trust's new strategic priorities, and there was a lack of clarity over functional areas, which had grown organically.

1.5 The review and redesign was undertaken in two phases of work. Phase one (Oct - Dec '22) consisted of as-is analysis and considerations of future state, whereas phase two (Jan - Apr '23) focused on developing detailed future state design and an implementation roadmap. Both phases were undertaken through a combination of document review, stakeholder interviews and workshops and was overseen by a weekly steering group, chaired by Martin Kuper, Chief executive officer.

1.6 The overall progress in the past 18 months has seen the well led governance review recommendations progressed, launch of the new strategy, launch of the Excellence portfolio, providing a framework for strategy delivery, review of the functional model and governance arrangements of the organisation, providing clear lines of reporting to the board. The first phases of implementation complete and this paper provides a summary of the progress to date.

2. Functional model and governance review Phase 1 recommendations

2.1 The changes made as a result of phase 1 of the Functional model and governance review are summarised here (list of recommendations and mapping to well led recommendations is shown in Annex A). Broadly speaking the changes fall into the following categories board, Membership Council, committees, portfolios, risk and tools.

2.3 Board of Directors

- Board meetings now alternate between a Board meeting and Board Development Session on a monthly basis. Over the year there will be 6 Board meetings and 5 Board Development Sessions. Three Board Development sessions have now been held in February, April and June.
- Public Board meetings now begin with a patient or staff story in order to bring the patient and staff voice into the meeting, this has been in place since March '23. Two patient stories have been heard at the March and July Board meeting with a staff story shared at the May meeting.

2.4 Membership Council

- A new governor onboarding process has been designed and is now in place to support joining governors.

- We now have a full schedule of the NED / governor meeting and we now have NEDs regularly attending membership council meetings.

2.5 Committees

- An Education committee has been created to oversee all business as usual elements of education delivery. The committee meets monthly and has recently overseen the development of the Moorfields Education strategy.
- Board sub-committee reporting of Education and Performance are currently being finalised, as part of the revised board sub committee structure.

2.6 Portfolios

- The Integrated Performance Report (IPR) has been reviewed to align with the current organisational strategy and to use the best practice Making Data Count methodology in its presentation. The Board received a presentation from the national Making Data Count team to support its implementation.
- The is a regular flow of information from the Divisional performance updates into Management Executive.
- The future state functional model clarified the different facets of Education, including what sits within the joint Education Directors portfolio.
- The Education vision and key strategic priorities have been set out in the Education strategy.

2.7 Risk

- The risk policy and guidance and has been cascaded and a consistent approach on risk categorisation shared at every level of the trust.
- The risk policy and guidance and has been cascaded and a consistent approach on risk management shared at every level of the trust.
- The process for risks flowing from Divisional level to CRR, and into each of the Board sub-committees has been clarified and will be further refined in line with the new board sub-committee structure.

2.8 Tools

- A set structure and guidance for Board and Sub-Committee reports. e.g. one common template, one common approach has been recommended as part of the functional model and governance review.
- The approach to Trust Board and Sub-Committees minutes have been adjusted to ensure that test and challenge at is accurately captured and reflected in meeting minutes to show richness of discussion.

3. Functional model and governance review phase 2 recommendations

3.1 The phase 2 Functional model and governance review recommendations were reported and considered by the Board of Directors in July '23. The full list of recommendations from the functional model and governance review can be found in Annex B.

3.2 A key first step was to review the executive structure, considering the new functional model and adjustments to the executive structure were approved by the Nominations and Renumeration Committee on 5 July. These adjustments serve to provide a coherent, consistent leadership model aligned to the future functions.

3.3 These changes are currently in implementation with the change management process including a period of consultation regarding the impact on individuals affect. The new structure comes into effect on 1st October '23.

3.4 Following the implementation of the executive structure changes, the sub board structure changes will be evaluated.

3.5 In parallel, the board subcommittee structure changes are in review, led by the Chair and Company Secretary. Terms of reference for the proposed subcommittee structure are currently being reviewed.

4. Well Led development review recommendations progress

4.1 In addition to the Well led development review recommendations taken forward through the functional model and governance review, a number of recommendations have also been progressed:

- increase board visibility – a route programme of executive visits has been implemented
- consider review of Freedom to speak up (FTSU) arrangements – a peer review has taken place, a new FTSU model has been recommended and is being implemented
- Board focus on culture, diversity and inclusion – the Equality, Diversity and Inclusion programme is a high priority (type 1) programme under the Excellence Portfolio for 23/24
- invest in IT infrastructure – An IT strategy and associated investment plan has been developed and progressed with oversight from the IT Programme Board, formed under the Excellence Portfolio in 2022
- assurance of WHO audit results – a new WHO audit process was launched in 2022 with triggers for peer reviews to be undertaken. The process has embedded well.

5. Next Steps

5.1 Whilst good progress has been made with both the Well Led development review and functional model and governance review recommendations, there are further phases of implementation. The Company Secretary and Associate Director for Excellence Delivery are working closely together to take this forward and a further update will be brought back to a future meeting.

Annex A – Recommendations from Phase 1 Functional Model and Governance review (with mapping to Well Led development review) – December '22

Theme		Challenge	Recommendation	Well-led recommendation	Short Within 6-12 weeks	Medium-long Beyond 12 weeks	Phase 2
Board		Presently, no Board development in place.	Consider a review of Board frequency, and incorporation of an alternating Board and Board Development Session on a monthly basis. E.g. Month 1 Trust Board, Month 2 Board Development Session, Month 3 Trust Board etc.	3, (10)	✓*		
		Inconsistent inclusion of patient voice at Board meetings.	Review frequency and format of patient voice at Board meetings.	26	✓		
Membership Council		Limited visibility of membership council of NED activity.	Increase engagement of NEDs with membership council to improve ability of governors to discharge statutory duties.	14		✓*	
		Inconsistent onboarding process and understanding of role.	Review governor on-boarding process to ensure consistent approach and clarity of role and statutory duties.	14		✓	
Sub-Committees		Limited Sub-Committee oversight of Performance.	Extend the remit of the Finance Sub-Committee to become the 'Finance and Performance' Board sub-committee to provide formal Sub-Committee oversight of performance reporting.	18	✓		
		Limited Sub-Committee oversight of Education.	Agree Sub-Committee oversight for Education, e.g. where do key Education updates flow to.		✓		
Committees		Siloed components of Education portfolio.	Establish an Education committee, which will act as the key forum for Education related updates and discussion.		✓		
Portfolios	Operations	Imbalance in reporting across performance domains.	Consider how IPR can be developed further to provide greater metrics and further balance across each performance domain (finance, workforce, quality and operations), and act as a key tool across these, including reflecting national best practice, e.g. Making data count.	19		✓	
		Lack of formal information flow, regarding performance, from Divisional reviews to broader Trust.	Ensure there is a clear and regular flow of information from Divisional Performance Reviews into the broader Trust to give visibility of activity. E.g. performance update into Manex and Finance and Performance Sub-Committee.				✓
		Presently, majority operational resource at performance review meetings.	Ensure a balance of attendees across performance domains at all performance review meetings.	20	✓		
	Education	Lack of clarity regarding scope of Education portfolio.	Clarify the different facets of Education, including what sits within the joint Education Directors portfolio.		✓		
		Lack of clarity regarding Education strategic priorities.	Clarify the Education vision and key strategic priorities.			✓	
	BRC	Proposed governance for BRC is new, and as yet, untested.	Implement the proposed BRC governance structure and agree review point to assess effectiveness.		✓		
Risk		Inconsistent categorisation of risk across organisation.	Leverage the existing Risk policy and guidance and cascade expectations and approach on risk categorisation to each level of the Trust.	(17)	✓		
		Inconsistent management of risk across the organisation.	Leverage the existing Risk policy and guidance and cascade expectations and approach on risk management to each level of the Trust.	(17)	✓		
		Lack of robust approach to ensuring the flow of risk from Divisional level to the Corporate Risk Register (CRR).	Review/ clarify how risk flows from Divisional level to CRR, and into each of the Board Sub-Committees.				✓
Tools and Materials		Inconsistent quality of Board and Sub-Committee reports.	Implement a set structure and guidance for Board and Sub-Committee reports. E.g. one common template, one common approach, length of report limited.		✓		
		Inconsistent quality of meeting minutes.	Ensure test and challenge at Trust Board and Sub-Committees is accurately captured and reflected in meeting minutes to show richness of discussion.	1	✓		

Annex B – Recommendations from Phase 2 Functional Model and Governance review – July '23

No.	Area	Recommendation	Short	Medium	Long
1	Board Governance	Engage Chair and Non-Executive Directors to review and approve proposed changes to Board Committee terms of reference and work-plans.	✓		
2	Board Governance	Review Board Committee dates with view to align to Management Governance meeting schedule and IPR timelines (performance data) from 2024/25.		✓	
3	Board Governance	Review skills mix and expertise of Non-Executive Board members to feed into succession planning to ensure appropriate balance.		✓	
4	Board Governance	Implement Board development programme to ensure Board is operating as effective unitary Board, to enable new proposed structure to operate effectively.		✓	
5	Board Governance	Board to develop Board Strategy Session TOR and forward plan for the year.	✓		
6	Board Governance	Review SFI's and agree which Board Committees are the most appropriate to review/ approve.	✓		
7	Management & Board Governance	Decision to be made over threshold for items to go to Board Committees for assurance rather than Management Governance (i.e., Quality & Safety Committee assurance over incidents from Divisions).	✓		
8	Management Governance	Management Executive to review and approve proposed changes to ManEx, TMC, Excellence Portfolio Board and senior functional area meetings.	✓		
9	Management Governance	Establish Management Executive as the forum with oversight of all Trust Board and Board Committee agendas and papers.	✓		
10	Management Governance	Align new Integrated Performance Report (IPR) to strategic priorities.		✓	
11	Management Governance	Review as-is risk and performance oversight processes to ensure alignment with documented policies and good practice outlined in supporting material.		✓	
12	Management Governance	Review appropriate delegated authority (Scheme of Delegation/ Standing Financial Instructions) for functional areas once assured of maturity.			✓
13	Functional Model & Board Governance	Review Board composition and attendance, and align Executive Board members to proposed functional model, ensuring this meets the constitution and aligns to key strategic areas for the Trust.	✓		
14	Operating Model	Opportunity to define in detail the other key elements of the operating model, such as processes, people, technology and partnerships.		✓	

Moorfields