Effective board assurance committees

This section sets out good practice to make the most of board assurance committees, issues to consider and key questions for boards to ask when reviewing their board committee infrastructure, the work of committees and their effectiveness.

There is no requirement in primary legislation for NHS trusts to have board committees. Secondary legislation requires NHS trusts to have an appointments committee, while NHS foundation trusts (FTs) are required to have an audit committee and a remuneration and/or nominations committee. The statutory guidance from NHS England recommends both as a minimum to underpin good governance in both trusts and FTs. With those exceptions no committee has a right to exist, and whether statutory or not, each board committee should be constructed and managed to add value to the board.

Anecdotal evidence from our membership suggests that not every trust is getting the most from its board committees. At least one trust had, at the time of writing, reduced its standing assurance committees to audit and remuneration/nominations only.

Board committees should play an essential role in the governance of NHS trusts and foundation trusts, undertaking work under delegation from the board to help it fulfil its functions. Board committees are preferably chaired by a non-executive director (NED) reflecting the committee's role in seeking and providing board assurance.

While ultimately the effectiveness of any committee, as with a board of directors, will hinge on the experience, skills and behaviours of the committee's participants, there are significant steps that can be taken to create the conditions under which committees can help trusts run well.

Effective board committees at a glance

Question	Considerations
Do you really need a board committee?	Will a committee: • Do work that the whole board does not need to do, providing additional capacity for scrutiny and risk management? • Do work of the board that benefits from a smaller forum, able to scrutinise items in adequate depth? • Maximise the contribution of the NEDs/EDs involved, drawing on any relevant experience/expertise? • Enable NEDs and EDs to build constructive relationships and engage in open dialogue?
Are the terms of reference (ToRs) fit for purpose?	Are your ToRs: • Clear, agreed by the board, and supported by your scheme of delegation? • Reflected in your committee workplan and agendas? • Regularly reviewed and changed when the needs of the board change? • Both backward- and forward-looking?
Are the right people at the committee?	Does your committee: • Strike a balance between the right people being in the room and having too many people to enable focused conversations? • Have the 'right' NED chair, with time, skills and interest in the role? • Invite observers/participants for relevant agenda items only? • Ensure personal interests and agendas are not pursued to the detriment of outcomes? • Enable both NEDs and EDs to participate in scrutiny and challenge? • Have a membership with diverse backgrounds and perspectives?
Are agendas relevant and manageable, are actions followed up, and is there a workplan/agenda framework that is fit for purpose?	Does your plan/agenda framework: • Reflect the committee's ToRs, the trust's strategic objectives and the Board Assurance Framework (BAF)? • Avoid unnecessary duplication with the workplans/agenda frameworks of other committees? • Enable the scheduling of scrutiny items based on perceived risk and assurance levels, including space for urgent previously unforeseen items?

	Are your meeting agendas: • Jointly owned by the committee chair and executive lead (where there is one) for the committee? • Set during a pre-meeting between the committee chair, executive lead and someone from the corporate governance team (if possible). • Clear about what each item is for and how long is likely to be needed for each item? • Organised to enable adequate time for due consideration of each item? Are your action logs: • Dynamic because they are regularly reviewed and refreshed – actions are completed in a timely way and not continually rolled-over? • Clearly written so everyone understands what the precise action required is, who should do it and by when?
Are the conversations in the committee productive, and the outputs/reporting clear and at the right level of detail?	Does your committee: • Enable constructive challenge from ALL members? • Ensure minority opinions are carefully considered? • Have the confidence of the board in respect to its outputs/reporting? • Have clear channels for communication with the wider organisation where relevant? Are your conversations: • Evidence based and supported by information/analysis of sufficient quality? • Focused on assurance, risk and monitoring progress rather than designing solutions? • Clear what is delegated to management to resolve? Are the committee's reports: • Highlighting good performance (high levels of assurance/low levels of risk) and areas of low confidence about continued good performance (lack of assurance/high levels of risk)? • Helping the board to triangulate levels of assurance across the work of other committees when relevant?

Is the committee's operation and effectiveness regularly reviewed, and any issues addressed quickly as they arise?	Does your committee: • Allocate sufficient time and energy to reflect on whether the meeting has remained true to purpose and the products of the meeting are useful and of the right quality? • Reflect on the experience of its members, whether they feel heard and able to contribute effectively? Does your board: • Review committee effectiveness, and receive assurance from Audit Committee around committees as part of their review of the system of internal control, at least annually? • Consider committee effectiveness in the round, ensuring good coverage of strategic risk across the committee structure? • Update committee ToRs as required to ensure they remain appropriate?

Common challenges/issues

A governance professional can observe committee(s) and/or the board in action and recognise emerging issues that might mean the board and trust is not getting the best from its committees or that committee effectiveness might soon be in decline. Depending on what's likely to be most effective (and on the nature of the issue(s) observed), governance leads identifying emergent issues might wish to check in with committee chairs/members or simply contribute to reviews of meeting effectiveness as they are undertaken at the end of meetings.

Warning signs that your committees may not be operating as effectively as it might, include:
- Board members do not take confidence from assurance provided by a committee, or such assurance proves subsequently to have been erroneous or insufficient.
- Committee members believe and act as if the committee is an operational decision-making forum rather than an assurance-based committee of the board.
- The committee has become a talking shop, the output of committees is not of value to the board and/or not relevant to the ToRs or just consists of minutes.
- Forming a committee and delegating to it is a preferred option to confronting difficult board level issues.
- Levels of attendance at the committee are poor.
- There is little correlation between the work of the committee and the Board Assurance Framework.
- There is a proliferation of committees when what's required is a project/programme board, and/or committees deal with managerial and operational issues rather than assurance.
- Executives and managers dominate the proceedings, or non-executives do all the talking leaving executives questioning the value and potentially feeling harangued/demotivated.

- There are regular discussions about whether issues are within the committee's remit or should be covered elsewhere: members are not clear about the focus of the committee.
- The wrong people are in the room, too many people are in the room and/or the number of people in the room bears little relationship to the committee's membership.
- The membership of the committee is insufficiently diverse in perspective and experience, which can lead to group-think.
- Terms of reference (ToRs) and annual work plans do not seem to shape the committee's work and/or committees are duplicating each other's assurance-seeking.
- Agendas are too long, unfocussed, and unmanageable. Agendas are not 'owned' by committee members. Agendas don't give priority to the most important or complex issues under discussion.
- Poor quality papers lead to inappropriate focus (backward-looking and/or operational) discussion and outcomes.

Do you really need a board committee?

Committees should be doing work that is better done in a smaller, more focused forum, allowing more in-depth consideration of reports, data etc and probing discussion to seek assurance. Committees do the work of the board that would otherwise mean the board had too large an agenda to cover in enough detail. They can also be used to both maximise the contribution of the non-executives/executives with relevant experience/expertise and build constructive relationships between executives and NEDs.

Forming a committee or delegation to an existing committee should not be default if there are issues the whole board should be considering. Likewise, the board should not redo the work of the committee when it receives its reports – if the whole board needs to be involved in scrutinising something then it is better to do the work at the board in the first place. However, the distinction is a fine one – and some further discussion (if not in-depth scrutiny) at board is inevitable and likely to prove useful.

Standing committees will have a rolling agenda focusing on ongoing areas where board assurance is required. Short-term committees can be convened for time-bound assurance-seeking. Standing committees can be wound down following review if agreed by the board – short-term committees can become standing if they prove themselves useful and have an ongoing remit to fulfil.

Purpose and terms of reference

The number of board committees used by trust boards ranges from two to upwards of nine and that is not including any committees in common in the wider system.

Resources are limited and time precious: perhaps the first question to ask about any board committee is 'do we need it?' Is it, or should it be carrying out a useful role on behalf of the board or is it just an historical artefact or comfortable talking shop? Is the committee carrying out a useful role? If not, should it and can it be fixed or should the board consider disbanding it?

The board should agree the over-arching committee structure, as determined by the trust's strategic plan, to ensure good coverage.

The starting point for an effective committee is its terms of reference. These are set by the board, and they set out the role of the committee, the scope and limits of its responsibilities and its membership. They link the work of the committee directly to the organisation's strategy and objectives and should be supported by your scheme of delegation.

Committees are able drill to a granular level of assurance in a way that the full board cannot due to its size and time pressures. Committees should:
- Seek assurances about adherence to plans and identify where variance occurs
- Oversee any allocated risks
- Monitor the progress of remedial actions
- Seek evidence of the impact of actions taken.

In these activities committees are both backward and forward-looking: backward-looking because they consider past performance and forward-looking because they use past performance to inform future action and remedial action plans to form a view (assurance) about the likely achievement of plans/targets. The committee's role is to form a view on the extent to which they are assured and the value of the assurance they have received and report that back to the board. The committee may also make recommendations as to how gaps in assurance may be filled. The board will then consider what actions are necessary.

Board committees should preferably be chaired by a NED. Because they are assurance-based and strategic risk-led forums they should always be distinct from operational management (delivery) which is overseen by executive- and senior manager-chaired forums. The use of the term 'committee' for management forums/groups is best avoided to retain clarity about the assurance function of board committees. Effective chairing training is available from NHS Providers.

We understand that some trusts have certain committees of the board that consist of executives only. Clearly, they are free to do that, but from a governance perspective, we believe that there are risks in not having an independent perspective at board committees provided by directors from outside the management structure. We acknowledge that executive-only committees seem to work well for some organisations, however we believe that the principle of board committees being chaired by a NED and having a NED majority remains sound.

In the not-too-distant past it was common practice for the work of committees to be reported back to boards through the submission of minutes to the board meeting. These were duly noted, the relevant box ticked and that was the end of board consideration of the committee's work. It is now much more common that processes for the flow of information are formalised, escalation and de-escalation of risk follows an assurance-based criteria with reports from the committee chair to each board meeting on the key issues. The reports should focus on the outcomes of discussion and agreed actions, not cover the breadth of discussion/inputs considered. This detail will be available to the board in appended minutes, should it seek that detail.

Terms of reference should be regularly reviewed to ensure they are being met by the committee's agendas, and the ToRs should be changed if the needs of the board change. Use of an annual workplan to schedule regular items (based on the ToRs) helps with agenda-setting. Your BAF may allocate specific strategic objectives/risks to the committee and if so are these should be reflected in the ToRs, plans and agendas.

Members and attendees/participants

Who is in the committee room matters: it has an impact on the length of the agenda, the quality of debate, the focus of the discussion and ultimately the outcomes, and therefore contribution of the committee to the board. If the meeting is too large it becomes unwieldy, with fewer contributions from those whose central role is to make contributions – the committee members themselves.

Effective committees will have a membership that is large enough to encompass diverse perspectives but small enough to gain the benefits of focused challenge and scrutiny in a safe space (enabling frank and open discussion) outside the boardroom. For this reason, while it can be beneficial to invite non-members for specific items, they should leave the room when that item concludes. You will make your own choices based on what works locally, but it is worth considering if regularly allowing observers at committees hampers the committee from fulfilling their role.

Selection of the NED chair is important as they set the tone and can greatly influence the impact of the committee. Chairing a committee can be time-consuming and the NED needs to be available for agenda-setting, any pre-meet(s) and follow-up as well as regular reporting to the board, so consider their genuine availability as well as interest/ability when selecting the chair. Training for less-experienced NEDs/chairs should certainly be offered if required.

Chairs and participants shouldn't use committees to pursue personal interests or agendas so guard against this and address it if it arises, noting the fine line between persistent evidence-based scrutiny and challenge and over-detailed interest in personal favourites or other issues.

Executive directors who are part of the committee face the challenge of being both potentially responsible for operational management of the issues under scrutiny and on the committee by virtue of being a member of the board. They should be prepared to behave and act as a board member (including participating in challenge) when their own portfolio is under scrutiny.

Ensuring diverse perspectives from people of diverse backgrounds/experience are included and contributed at committees means having or working towards a diverse board from which to select committee members. Board diversity will be discussed in an upcoming chapter of the guide, however it is worth noting here that to

improve diversity when making board appointments, diverse membership of the committee(s) responsible for facilitating those appointments is crucial.

It makes sense that members of the committee are joined by committee support staff throughout. Attendees/participants who are presenting reports or assisting executive directors on matters of detail though should withdraw from the meeting once their item(s) has concluded.

It is too easy for those in the room to grow in number with report presenters and their own supporting staff perhaps remaining for other items or attending subsequent meetings. . As attendee numbers grow, the committee increases the risk of slipping into operational detail, losing focus and becoming a talking shop rather than carrying out its assurance role. In addition, sustaining open and frank relations, and appropriate accountable conversations, between the member executives and NEDs may also be more difficult as the numbers increase, and the ability to have suitably challenging debate may be compromised. Maintaining focus helps ensure the committee adds optimum value.

NEDs may be selected for committees because they have relevant experience and/or a particular interest. This is important but the chair must ensure that NEDs focus on assurance and broad strategic support, and do not stray too far into the detailed operational problem-solving that is common when individuals have expertise they are keen to share. Private conversation between a NED and the responsible executive (with the NED in a coaching/mentoring role) to reflect on issues raised and potential ways forward will sometimes be more appropriate and useful than this taking place at full committee.

Observers

As set out above, as a rule of thumb those who are present should be those who need to be there.
This brings us to foundation trust governors. The rationale that governors may put forward for attending committees is that they need to see NEDs in action to hold them to account for the performance for the board. It is not the governor role to assess how good their individual NEDs are, though chairs should ask governors to play a part in NED appraisals. It is the governor role to form a view on the performance of the board of directors and to hold the NEDs to account for this performance, so it is the board's performance, not the NEDs' performance, with which governors should concern themselves. There is also the danger of creating individual 'expert' governors who are closer to the work of the Board and this can impair their ability to act independently when sitting on the council of governors. Clear guidance and reporting back to the council is vital if this practice is allowed to ensure that the observations add value to the role of the council, rather than allowing individual governors influence in roles out with the statutory function of the council.

As discussed in the section above, the act of observation alone can impact on outcomes. For these reasons, we recommend governors are not invited to observe committees of the board.

Having said that, we acknowledge that governor attendance is established practice in some trusts, and may be felt to bring other benefits. Where it is decided not to exclude governors from committee meetings it is crucial that the chair ensures that their presence is as observers only. It is the committee that is accountable for its

work, and it is important that it is not diverted from that by the presence or contribution of those who have no role in the effective performance of the committee. Indeed it is the role of the audit committee in particular, which has the overarching responsibility on behalf of the board to assess the effectiveness of the board's committees and the governance arrangements that they underpin. Check back soon for our upcoming chapter on the role of governors.

The work plan, agenda setting, pre-meeting, and paperwork

The annual work plan and in particular strategic objectives/BAF risks assigned to the committee should inform the committee's agenda and act as a guide to scheduling items so that meetings take place at the right frequency and are of a manageable length. In many trusts, the quality committee in particular has a large remit and may utilise a sub-committee structure which reports into the quality committee in order to ensure adequate attention is given across its full purview.

It is helpful for the board to understand the remit of each committee to identify any duplication or gaps, and this will also help ensure that cross-cutting issues which may not call an obvious solitary committee home, such as progress against the Workforce Race Equality Standard or recruitment and retention (both of which might sit across workforce, quality and finance committees, for example), are scrutinised in the right committee(s) prior to the board.

Committees can schedule in regular scrutiny of functions/services/management etc of the trust, increasing or decreasing the frequency of scrutiny depending on levels of assurance and perceived risk. For this reason, the plan should be regularly updated, and should read across to the Board Assurance Framework and the trust's strategic objectives (and the committee's ToRs).

It can help demonstrate coverage in terms of assurance-seeking to map the workplans of each committee against the board's needs for oversight and assurance, to identify any gaps, reduce duplication across committees, and help the board see that it has its bases covered. This mapping will help demonstrate where remits are too large to be managed by a single committee and perhaps a sub-committee structure is required to give issues due consideration. This is often the case for quality committees.

Planning is important but committee agendas should also maintain the flexibility to take urgent items. Joint ownership of agendas between the committee chair and executive lead (where there is one) can be effective and joint agenda-planning can provide a forum for productive conversations/relationships between directors.

Mental health trusts, in particular, should have rigorous processes in place to ensure the trust is compliant with the requirements of the Mental Health Act 1983, usually through their quality committee (perhaps via a sub-committee reporting to it).

Committees should be free to meet more frequently when required to do work of value to the board and less frequently when things within their purview are quieter, that is, levels of assurance are higher. Their reports back to the board should take a stratified view of their work based on levels of perceived concern or assurance, rather than simply describe all activity undertaken.

Over-lengthy agendas, which may lead to regular deferral of items and/or meeting over-runs, are unlikely to be effective and will prove frustrating to committee members, often particularly to the executives whose time may be more curtailed by other demands. A committee which gains a reputation for keeping presenters waiting, over-running into subsequent meetings (perhaps requiring them to be cancelled), or deferring items that managers had worked hard on in advance to provide the paperwork/inputs for, will not garner respect within an organisation. The way in which committees conduct themselves should reflect the values of the organisation – at a minimum this should mean respecting people's contribution, time and effort.

Committees which regularly over-run, fail to address all agenda items, or rush through the last few items should be reviewed to improve their agenda-setting and management. Support for the chair to manage discussion more effectively, or to support the members of the committee to be more focused in their presentation, challenge and discussion should also be considered.

Equally, committees with action logs full of rolled-over outstanding items, or listing unallocated or imprecise actions, are unlikely to be operating effectively. Check that the owner of actions is clear about expectations on them and content that anticipated timescales are achievable.

Clearly the process followed in setting agendas is vital and the committee chair needs to ensure a pre-meeting takes place in which the right players are involved. The company secretary or someone allocated from the corporate governance team to support that committee would ideally be there (to provide advice and support in the run-up to the meeting) alongside the committee chair and executive lead. Reference to the other committee members and the board chair are advisable when finalising the agenda. But agenda setting can also be a useful time to talk through the outcomes sought from items so that presenters/report writers are clear about what's required from them, and to ensure the right amount of time is allocated to each item so far as possible. Report writers/contributors also need to know what the expectation is in terms of when paperwork is required and if, and if so roughly when, they will be needed at the meeting.

Agreeing whether items are likely to need in-depth discussion or simply noting will aid allocation of time to each item and help committees get to the end of the agenda with adequate focus on each item. A pre-meet/conversation where the executive lead gives a heads up on the likely content of assurance papers can help with this. More on setting appropriate agendas will be available soon.

Constructive conversations and useful outputs

The purpose of a committee is to do work for the board, providing more in-depth and focussed scrutiny and assuring the board as well as escalating risk and sharing good practice.

Committees should enable constructive challenge from all members, reflecting all directors' roles as part of a unitary board, and paperwork and presentations should provide enough information and analysis to allow the committee to establish whether it is assured or there are risks to mitigate/quality to improve etc. Committees can also go into more detail in order to verify and understand the risks and issues to make an informed judgement about the level and quality of assurance, and make recommendations to the board about next steps to mitigate any lack of assurance. It is not the role of the committee to design solutions, though it can and should be clear about what would be required to provide it with adequate assurance.

Diversity of opinion is to be encouraged. Individual or minority dissent if well-reasoned and delivered respectfully should be carefully considered in decision making and documented in the minutes and when reporting to the board.

Committees operate on behalf of the board and should be reporting back to the full board about the outcomes and outputs of its activity. It's usually not necessary to report about the activity/conversation itself in detail – but rather should primarily highlight areas of good performance (high levels of assurance/low levels of risk) and areas where there is low confidence about continued good performance (lack of assurance/high levels of risk). Reporting should give the board assurance that the committee has a handle on higher-risk areas of its remit, and advise the board when it needs to take an interest or where more work is required outside the committee.

Reporting should enable the board to triangulate levels of assurance across the work of all the committees, for example quality assurance against financial assurance.

The committee should also form a view on the quality as well as level of assurance taking account of the fact that not all assurance is of equal value. The board should have confidence in the committee's reports and views – it is worth checking that this is the case in your annual reviews.

Committees will also delegate activity to management through executives on the committee, which it should then monitor for progress. There may be communications required (in addition to those to the board itself) in relation to the committee's work and the channels for this should be understood and utilised so there is some visibility of the committee within the wider organisation.

Behaviours

The success or otherwise of the meeting depends not only on having the right agenda focussed on the right issues with the right people in the room to address them, but also the way in which people behave. The committee chair sets the tone for behaviours at committee, as should the trust's values. They will decide on the level of formality or otherwise and through their actions will influence behaviours and the degree to which the personalities of the committee's membership and attendees are given free reign. The chair will have a profound influence on whether the committee remains focussed on the task at hand or digresses and is flexible. It is better that the way the committee works is not by accident or custom and practice but instead is subject to collective agreement, with behaviours agreed and flexibility built in.

The committee chair has a clear responsibility for addressing inappropriate behaviour related to committees, supported by the trust chair and company secretary as appropriate. Trusts will have formal processes in place should these be warranted, but informal conversations between the chair and individuals outside meetings are the most likely first point of call should behaviours be contrary to the trust's values and/or the effective working of the committee.

It is the board chair's responsibility to ensure that the committee's membership is diverse in composition, but it is the committee chair's duty to ensure that expression of diversity of opinion is part and parcel of the

committee's culture. Most importantly the chair must ensure that all voices are heard and that there is space for due consideration of well-reasoned dissent.

Reflection and reviewing the committee's effectiveness

The value of a committee depends on the value of its outcomes and outputs. Clearly the committee meeting will be creating outputs to be reported to the board as it works through its agenda as well as making its own decisions within the scope of its delegated powers as set out in its ToRs.

It is important that at the end of each meeting the committee reflects on whether the product of the meeting is sufficient and of the right quality. Has the meeting remained 'true to purpose' in delivering on its ToRs and annual work plan or has it strayed, and if so what should be done to ensure that this is not repeated next time? Did the meeting identify what needs to be escalated to the board, what can be overseen at committee level and what can be deescalated to management?

But reflection should not be confined to product. It should also take account of the views of the membership on the degree to which they felt it to be a positive experience, whether they felt 'heard' and confident in how issues would be dealt with. It can be tempting to cut this short at the end of a long agenda or to defer the discussion, but reflection is a critical part of the agenda if the committee is dedicated to self-improvement.

Committee effectiveness should be reviewed at least annually by the committee (as well as its ToR) and reported to the board (see section below) but allowing time for genuine reflection on the effectiveness of each meeting at its close will help to address problems before they become embedded. This should be both backward- and forward-looking. It should aim to ensure committee ToRs reflect any changing regulatory/compliance requirements, the external environment, and the organisation's objectives, and that committee meetings are effective in providing the board with the assurance and identification of risk it requires. It is helpful to reflect on the behaviours in the room as well as the confidence the committee has in what it reports to the board, and the board in what it receives from the committee.

Reflection on the work of all committees in the round at the chair's private meetings with NEDs can be useful to air any confusions or concerns that might not be raised more formally.

The Audit Committee should take an interest in the over-arching control environment in the trust, of which the board committee structure is an integral part.

Reviews should include reflection on:

- The frequency, membership, agenda, and annual work plan – are they conducive to delivery of the role and purpose of the forum?
- Delivery against the annual work plan. If the plan was not delivered, why not and what was the impact?
- The formal record of attendance, including quoracy, and declarations of interest.
- The agenda and discussions which took place – where did the committee spend its time last year? Was it appropriate to the ToRs, organisation's strategic objectives and key risks?
- Were any allocated risks were successfully managed?

- Whether members had the opportunity to feedback their thoughts.
- Whether time was set aside for such reflection and any outcomes were recorded and acted upon.