Scheme of Delegation, Escalation and De-Escalation – proposals for change

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Author: Helen Bushell, Board Secretary and Head of Board Business Unit

Approval/Scrutiny route: Business Executive Team – 18 November 2019

Purpose
This paper seeks to set out:
- The governance context for the Board Scheme of Delegation and current related activities
- A set of principles and the proposed steps to achieve a revised Board Scheme of Delegation.

Recommendation:

The Board is asked to:
- **Adopt** the need for a revised retention, escalation and de-escalation framework
- **Consider** the overall principles and direction outlined in the paper
- Provide **feedback** as to any areas that are missing or require further consideration.
Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.

This report contributes to the following:

<table>
<thead>
<tr>
<th>Strategic Priority/Well-being Objective</th>
<th>All Strategic Priorities/Well-being Objectives</th>
</tr>
</thead>
</table>

**Summary impact analysis**

<table>
<thead>
<tr>
<th>Equality and Health Impact Assessment</th>
<th>Not required for this item.</th>
</tr>
</thead>
</table>

**Risk and Assurance**  
The scheme of delegation (escalation and de-escalation) is a core requirement of the Governance framework and acts as a tool to help mitigate risk and promote appropriate decision making.

**Health and Care Standards**  
This report supports and/or takes into account the [Health and Care Standards for NHS Wales](#) Quality Themes

- Governance, Leadership and Accountability
- Choose an item.
- Choose an item.

**Financial implications**  
No implications to raise

**People implications**  
Some time is required to review and populate the new template, no other implications to raise
Purpose / situation

This paper seeks to set out:

- The governance context for the Board Scheme of Delegation and current related activities in relation to the development of strategic outcomes measures and the holistic changes to organisational structure to align with strategic priorities
- A set of principles and the proposed steps to achieve a revised Board Scheme of Delegation

Background

To ensure compliance with its Standing Orders, the Board is required to agree the delegation of any of their functions to Committees and others, setting any conditions and restrictions it considers necessary and in accordance with any Directions or Regulations given by the Welsh Ministers. These functions may be carried out:

- by a Committee, sub-Committee or officer of the Trust (or of another Trust); or
- by another LHB; NHS Trust; Strategic Health Authority or Primary Care Trust in England; Special Health Authority; or
- with one or more bodies including local authorities through a sub-Committee.

The current Board Scheme of Delegation was approved in January 2018 and remains. The format of the document was completely revised and the delegation provisions within it outlined in more detail.

The current Scheme of Delegation is based on the current organisational model and sets out the delegations in accordance with the matters reserved for the Board, matters delegated to Committees and Members of the Executive Team.

The Scheme of Delegation is then taken to an “operational level” detailing areas delegated via topic/subject areas as follows:

- Quality and Safety
- Financial Freedoms
- People and Organisational Development Freedoms
- Corporate
The Scheme of Delegation is based on the model scheme of delegation issued from Welsh Government. A visual overview of this element of the governance framework is provided below:

Key:
- **The orange boxes represent legal / Welsh Government documents**
- **The Blue boxes represent PHW controlled documents**
- **The green box reflects how a scheme of delegation would sit alongside current structure.**

**Description/Assessment**

**Developing the scheme of delegation for the future**

To support the Board to fulfil its full range of strategic responsibilities and have time and space to focus on future matters, the Chair has requested the scheme of delegation be reviewed and alongside it a scheme of escalation (and de-escalation) be developed. The programme of work to support this includes:

1. Defining a set of principles for the new scheme and way of working to reflect the organisational change programme
2. Working with Committees to redefine their terms of reference to ensure the Board receives the required level of support from its committees
3. Working with the Chief Executive and executive team to review their team and individual schemes of delegation (and escalation and de-escalation)
4. Developing a supporting scheme/set of principles for a scheme of escalation
5. Developing a supporting scheme/set of principles for a scheme of de-escalation
6. Cross referencing to the Welsh Government model scheme of delegation, model standing financial instruction and other governance manuals identifying any proposed variances (and developing justifications for those differences) for Board consideration.

The above work is suggested to be completed by the end of the 2019/20 financial year. Some aspects are reliant on external work being undertaken by Welsh Government (e.g. model standing financial instructions and model scheme of delegation).

**Vision and Principles of the revised scheme of delegation and escalation:**

The future vision is suggested as:

‘Our way of working will ensure that the right decisions are taken at the right time by the right people for the right reasons’.

The proposed principles for the revised model of delegation, escalation and de-escalation are suggested to include the following:

The scheme of delegation will support the Board to:

- Have confidence and take assurance that the right decisions are taken at the right time by the right people for the right reasons in pursuit of its corporate level outcomes
- Have confidence and take assurance that the business of the organisation is effectively delegated to the
  - Chief Executive and executive team
  - its committees and/or advisory groups
  - or to other relevant parties
- Take a greater level of evidence based assurance from Committees, advisory groups and the Executive Team and provide clear guidance on future changes / requirements
- Ensure an appropriate level of scrutiny and clear recommendations around interventions linked to escalation and de-escalation
- Create more time for the Board to operate in the strategic context in pursuit of its corporate outcomes
- Retain matters for itself that are deemed significant and that only the Board can/should consider
- Determine changes to delegations based on the Boards risk appetite and strategic risk framework
- Ensure flexibility to respond to emerging or actual matters that the Board may wish to oversee directly in a timely manner

Notes:
- Despite any delegation arrangements, the Board remains responsible for the exercise of its functions.
- As Accounting Officer, the Chief Executive has certain personal responsibilities which have been delegated to her by Welsh Government and the Principal Accounting Officer. The Chief Executive has to answer personally for these matters, which are set out in relevant guidance including Managing Welsh Public Money and in the Accounting Officer Agreement.
- The Chair is directly accountable to the Minister for Health, Social Services and Sport for her objectives.

To achieve the above, an outline of the decisions the Board may wish to retain are summarised in the table below:

**Board retained decisions / roles**

| Strategy and Policy                  | • Approval of strategy and strategic variation  
|                                      | • Retain high level strategic policy approval, delegate others to Committees and where appropriate the executive team  
| Performance oversight / monitoring of strategic outcomes | Monitoring against strategy outcomes and annual operational plan (Board may ask Committees to review particular areas/priorities to gain additional assurance)  
| Governance & Risk                    | • Approval of the annual accountability report and annual quality statement  
|                                      | • Board governance structure and roles of committees  
|                                      | • Approval of the risk policy, risk framework and risk appetite *(incl Bi-annual review of the Board Assurance Framework and corporate risk register)*  
|                                      | • Decisions outlined in the Welsh Government model scheme of delegation *(unless a justification is made to delegate elsewhere)*  

<table>
<thead>
<tr>
<th>Financial oversight</th>
<th>Strategic Business continuity arrangements</th>
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<tbody>
<tr>
<td></td>
<td>Decisions outlined in the Standing Financial Instructions (unless a justification is made to delegate elsewhere)</td>
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<tr>
<td></td>
<td>Strategic oversight of against annual budget and three year projections. The Board discussion may change in future to include longer term financial modelling against strategic outcomes (delegating some of the in-year reviewing to Audit &amp; Corporate Governance Committee)</td>
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<tr>
<td></td>
<td>Approval of the annual financial statements</td>
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<tr>
<td>Service User safety</td>
<td>Decisions in relation to approval of the strategic quality improvement strategy / approach</td>
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<td></td>
<td>Oversight of significant issues in relation to service user safety</td>
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<tr>
<td>Staff</td>
<td>Significant change to organisational structure or scale</td>
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<td></td>
<td>Trade union engagement</td>
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<td></td>
<td>Diversity and equality strategy / policy</td>
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**Future Board focus**

By the most appropriate decisions being taken at Board level, the Board will create more opportunity to focus on / consider in more detail:

<table>
<thead>
<tr>
<th>Vision, strategy and population level outcomes</th>
<th>The organisational strategy and delivery of population level outcomes (as well as organisational outcomes) – including the organisations statutory functions as set out in its Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cross discipline and cross sector boundaries/issues to improve population health</td>
</tr>
<tr>
<td>Looking to the future</td>
<td>Horizon scanning and analysing issues in the wider world that impact on the population health and/or impact strategic delivery</td>
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<td></td>
<td>Continuous drive of ambition to ensure the organisation remains / becomes world leading</td>
</tr>
<tr>
<td>The organisation</td>
<td>The culture and attitude of the organisation internally and externally</td>
</tr>
<tr>
<td></td>
<td>Integrated decision making frameworks and wider governance arrangements including taking assurance from the executive, its committees and advisors</td>
</tr>
<tr>
<td>Stakeholders and staff</td>
<td>Stakeholder and staff engagement including statutory and broader partnerships</td>
</tr>
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<td>------------------------</td>
<td>--------------------------------------------------------------------------------</td>
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<tr>
<td>Learning and development</td>
<td>Networks and sharing of best practice</td>
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<tr>
<td></td>
<td>Driving a culture of quality and improvement through everything we do</td>
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<td></td>
<td>Board training and development – to ensure it fulfils its role as a high performing Board</td>
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<tr>
<td></td>
<td>Succession planning / ensuring the Board remains fit and ready for the future</td>
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**Escalation and de-escalation**

To support the Board in taking assurance and having confidence that relevant matters are brought to its attention, a model of escalation and de-escalation will be developed. A set of guiding principles are proposed below:

**Escalation** - significant issues in relation to:

- service user safety
- external matters that the organisation is not in control of and threatens the health and wellbeing of the population short or longer term (e.g. leaving the European Union)
- the delivery of the organisational strategy / outcomes (short or longer term)
- emergencies that cause a major disruption to the business
- failures in compliance
- finance and litigation
- matters which the chief executive / executive team consider to require the Board to be involved in

**De-escalation** - a set of principles or guidelines will need to be developed to assist the Board in determining when to de-escalate matters and what oversight / assurance is required.
Recommendation

The Board is asked to:

- **Adopt** the need for a revised retention, escalation and de-escalation framework
- **Consider** the overall principles and direction outlined in the paper
- Provide **feedback** as to any areas that are missing or require further consideration.