

Briefing on the Board Governance Assurance Framework (BGAF)

July 2012

1. Where does the Board Governance Assurance Framework (BGAF) come from?

- In 2011 half of the aspirant Foundation Trust applicants were failing due to Board Governance and as a result of this their FT application was deferred.
- More expressly, it meant that there had been issues with the capacity and capability of the Trust Boards.
- Good governance is key to high performing organisations - they are focused on care quality, excellent patient experience, demonstrate robust financial control, understand their business and can articulate and oversee the delivery of a strong strategic vision
- a standardised process has been introduced to support Board development - the Board Governance Assurance Framework (BGAF)

2. What is the BGAF?

- It was developed by the Department of Health (DH)
- It was introduced as a mandatory process for all aspirant FT's from January 2012.
- It is a combination of self and independent assessment processes against set criteria
- It will ensure an aspirant FT is appropriately skilled and prepared to achieve FT authorisation - pre-empting problems which may occur further down the line
- It is required of all aspirant FTs submitting their application to the DH
- It gives the Strategic Health Authority (SHA) assurance to pass the Trust to the Department of Health (DH) stage of the FT process.
- NHS Trusts must own the issues and solutions arising from the use of the BGAF.

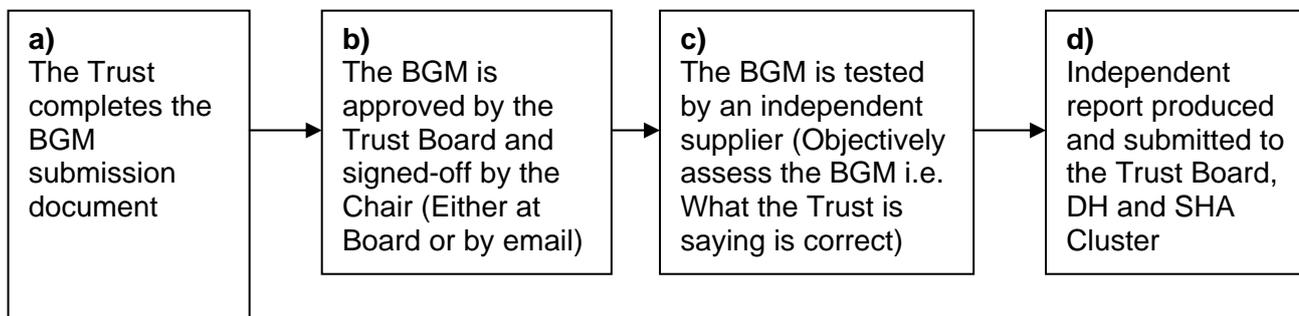
3. The BGAF has two distinct stages:

STAGE 1 - THE BOARD GOVERNANCE MEMORANDUM (BGM)

- The Trust Board self assesses it's their current Board capacity and capability, against set criteria. It is clear what constitutes good practice or a red flag.
- The self assessment must be supported by evidence and a RAG rating applied.
- This work is then externally validated by an independent consultant.
- In addition to the RAG rating and evidence, the Trust is required to submit 4 mini case studies which form part of the BGM.
- The areas of assessment of the BGM are
 - Board composition and commitment
e.g. Balance of skills, knowledge and experience
 - Board evaluation, development and learning
e.g. The Board has a development programme in place
 - Board insight and foresight
e.g. Performance Reporting
 - Board engagement and involvement

- e.g. Communicating priorities and expectations
- Board impact case studies
 - e.g. a case study that describes how the Board has responded to a recent financial issue

In summary the BGM covers 4 key stages as follows:



STAGE 2 - THE DEVELOPMENT MODULES

The BGM independent report may highlight that further assurance is required in any of the following Governance areas:

- Organisational Strategy and values
- Quality Governance
- Financial Governance

A Trust can do the development modules on its own, or with an independent consultant.

Within each Module (similar to the BGM) there are a number of key areas to assess and identify core strength and areas for development. The Trust must RAG rate each section based on the same scoring criteria as in the BGM. In addition, the Trust Board must identify the key actions/areas for development as raised in the Module.

4. The role of the independent consultant - and their report - in the BGAF

The content of the Trust Board approved BGM will be verified by an independent consultant identified through a national DH procurement exercise.

They will spend a number of days on site at the Trust

- reviewing and analysing the evidence provided by the Board to support their BGM rating.
- they will observe a Board meeting
- and interview Board members on a 1:1 basis
- they will also interview internal and external stakeholders

The site visit will culminate in a feedback session with the Trust Chair and CEO to share their findings and advise on next steps.

The independent consultant will produce a summary report for the aspirant FT, SHA cluster and DH outlining:

- where their independent findings are consistent with the Board's own findings
- where they believe there is insufficient evidence to support the ratings provided by the Trust (i.e. either the evidence given is insufficient, the rationale provided as to why a good practice has not been adopted is unsatisfactory and/or action/ mitigation plans are deficient)

- make recommendations (where necessary) to improve the Trust Board's ratings and/or areas where they believe additional assurance is required; including the proposal for the Trust to do various development modules if appropriate.
- provide an indication of whether or not there are any major risks from a Board governance perspective with the aspirant FT achieving the timeline as outlined in their Tripartite Formal Agreement.

5. The Boards role in the BGAF.

The BGM is designed to mirror the self-certification process used by Monitor therefore the Trust Boards RAG ratings on the memorandum should be debated and agreed at a formal Board meeting.

A note of the discussion should be formally recorded in the Board minutes and ultimately signed off by the Trust chair on behalf of the Trust Board.

6. Finding out more.

- The BGM submission document is attached here for your information



BGM submission document template

- The Trust has to RAG rate each section on a 'comply or explain' basis based on the scoring criteria outlined in the following document:



The BGM scoring criteria

- In addition the Board should provide evidence and/or explanation to support their rating. Evidence can be in the form of documentation that demonstrates that they comply with the good practice or Action plans that describe how and when they will comply with the good practice.
- The development modules are attached here

Organisational strategy and values



The Organisational Strategy & Values Mo

Quality Governance



The Quality Governance Module

Finance Governance



Financial Governance Module