

Agenda Item 8

From: Norbert Lieckfeldt
To: Council of Governors
Date: 21 March 2019
Subject: Significant Business Committee Report

1.0 Purpose of the Report

- 1.1 To update the Council on the recent meeting of the Committee on 11 March 2019.

2.0 Background

- 2.1 The Significant Business Committee has been established to review significant transactions and other commercial issues on behalf of the Council, and make recommendations as appropriate to the full Council.
- 2.2 While none of the Trust's recent bids fell under NHS Improvement's definition of a 'significant transaction' as detailed in the Trust's constitution and therefore do not require formal Council approval, the Trust has routinely consulted with Governors on developments and opportunities, through the Significant Business Committee.

3.0 Significant Business Committee

- 3.1 At its meeting on 11 March 2019, the following members were present:
- John Bennett, Public Governor Tower Hamlets
 - Robin Bonner, Staff Governor
 - Rosemary Eggleton, Public Governor Central Bedfordshire
 - Daniel Victorio, Public Governor, Hackney
 - Ernell Watson, Public Governor Newham.
- 3.2 In addition, Governors Mary Phillips, Bev Morris, Jamu Patel and Keith Williams attended as guests.
- 3.3 Dr Mohit Venkataram, Executive Director Commercial Development, and Norbert Lieckfeldt, Corporate Governance Manager, were also in attendance.

4.0 Summary of Committee Meeting

The focus of the meeting on 11 March 2019 was a development session led by Dr Mohit Venkataram on the Trust's Business Development function and the role of the Governor as it relates to significant business. The session was open to Committee members as well as other Governors. The slides of the development session have been shared with all Governors. Key points included:

- 4.1 An overview of the work of the Business Development Unit and how it fits in with the Trust strategy.
- 4.2 An explanation of the Trust and national policy context including the statutory role of the Governors in significant business developments. As detailed in the constitution a significant business is defined as comprising 25% of the Trust's turnover which is a threshold that has never been reached at ELFT. However, Trust policy is to involve Governors in discussion about any strategic business development, irrespective of its size.
- 4.3 Trust process of developing financial viability and delivering control total while focusing on quality of services delivered. This provided assurance on the previous challenge the governors have raised and talked through the focus on securing essential services through restructuring rather than cutting services.
- 4.4 The commercial activity reflects the Trust's vision and values, and is aligned with the Trust's strategic direction.
- 4.5 The complex process that is undertaken each time an opportunity is identified through the usual horizon-scanning activities.
- 4.6 In a case study (attached to the presentation), Governors were asked to focus on what they would do (wearing an Executive Director hat) if asked to respond to the circumstances outlined. MV asked how working through the case study made Governors *feel* – in response, there was a great sense of responsibility finding a way to improve services for the service users. In addition, even a short case study such as the one offered provided the Governors with a lengthy opportunity to question the details. MV pointed out that every business opportunity for the Trust is many times more complex, and therefore produces a significant amount of queries (and therefore data) before final decisions can be taken. There is a highly complex and rigorous due diligence process which offers assurance to the Trust leadership, the clinical staff and the Council of Governors.
- 4.7 Feedback received:
 - *The amount of time and work involved in making a decision about services and bidding for services is mind blowing.*
 - *You provided essential information which all Governors need to be aware of as part of their role to gain a better understanding.*

- *Recommend all Governors take part in these sessions and suggest this session is run regularly when new Governors join ELFT.*

5.0 Action Being Requested

- 5.1 The Council of Governors is asked to **RECEIVE** and **NOTE** the report.