



**Department of Health's Departmental Board
Annual Report 2009 - 2010**

Departmental Board Annual Report 2009/10

Role of the Departmental Board

The Department of Health's Departmental Board supports the Permanent Secretary in the discharge of his responsibilities as Principal Accounting Officer, within the framework or priorities set by the Secretary of State. The Departmental Board (DB) was constituted in its current form in October 2007, following the Capability Review of the Department of Health, which recommended that steps be taken to strengthen the Department's corporate governance structures.

The DB is chaired by the Permanent Secretary. The membership comprises DH's three most senior officials (the Permanent Secretary, the NHS Chief Executive, and the Chief Medical Officer); the Director General with lead responsibility for local government and social care; the Director General responsible for finance and corporate services; and three non-executive directors who provide external input and challenge.

The Terms of Reference for the Departmental Board are attached at Annex A.

Delegations to Boards and Committees

Within the governance framework established by the Board, it is supported by a series of Boards and Committees with defined responsibilities for areas of the Department of Health's business. The Boards have decision-making powers and responsibilities, and the Committees provide advice, assurance and challenge.

There are currently two supporting Boards and four Committees:

- **NHS Management Board.** This Board supports the NHS Chief Executive in the discharge of his personal responsibility as Accounting Officer for the resources voted by Parliament for the NHS (RfR 1). It

also provides leadership for the NHS ensuring effective two-way communication, manages NHS performance and shapes policy and strategy for the NHS.

- **Corporate Management Board.** This Board supports the DH Permanent Secretary in the discharge of his personal responsibility as Accounting Officer for the resources voted by Parliament for its non-NHS responsibilities (RfR 2) and for Monitor (RfR 3). It is the forum which provides leadership for the Department. This Board discharges some of its business through sub-committees, including a Corporate Management and Improvement Committee and a Policy Committee.
- **Audit Committee.** This Committee advises the DH Permanent Secretary and NHS Chief Executive on matters relating to risk management, corporate governance, internal controls and assurance relating to both DH and its subordinate bodies.
- **Performance Committee.** This Committee monitors performance against Departmental Strategic Objectives, Public Service Agreements, critical programmes and projects, and financial targets on behalf of the Departmental Board and provides a source of challenge on these to other supporting Boards.
- **Committee for the Regions.** This Committee supports the way DH does business through its regional presence with local government and its partners.
- **Equality and Human Rights Assurance Group.** The Committee oversees the Department's performance against the Single Equality Scheme action plan and, through that, compliance with equality legislation on behalf of the Departmental Board, and provides a source of challenge across the Department.

The Departmental Board does not seek to duplicate the work of its standing Boards and Committees, but delegates wherever appropriate and consistent with its accountability.

A chart showing the Board and Committee structure is attached at Annex B.

Membership

The composition of the Departmental Board during the financial year 2009-10 was as follows:

Sir Hugh Taylor	Permanent Secretary (Chair)
Sir David Nicholson	NHS Chief Executive
Professor Sir Liam Donaldson	Chief Medical Officer
David Behan CBE	Director General, Social Care, Local Government & Care Partnerships
Richard Douglas CB	Director General, Finance & Chief Operating Officer
Julie Baddeley	Non-Executive Director
Derek Myers	Non-Executive Director (April–July 2009)
Jon Rouse	Non-Executive Director (July–March 2010)
Mike Wheeler	Non-Executive Director

Non-Executive Directors

The Departmental Board's membership includes three Non-Executive Directors (NEDs) who contribute an external perspective and provide advice and challenge to the Board.

Julie Baddeley was appointed to the DB in July 2005 on a 3 year contract. Her contract was extended in 2008 by a further two years to 30 June 2010. Julie also served as a member of the DH Capability Review Steering Group, Chair of the Equality and Human Rights Assurance Group and Non Executive Director of the SCS Pay Committee.

Derek Myers was appointed to the DB in July 2005 on a three year contract. His contract was extended in 2008 by a further year to 30 June 2009. Derek also served as Chair of the Department's Audit Committee.

Jon Rouse was appointed to the DB in August 2009 on a 3 year contract. Jon also served as a member of the Department's Audit Committee.

Mike Wheeler was appointed to the DB in June 2006 on a 3 year contract. His contract was extended in 2009 by a further two years to 30 June 2011. Mike served as Deputy Chair of the Department of Health's Audit Committee up until Derek Myer's departure in July 2009, and then became Chair from September onwards. Mike also served as a member of the Performance Committee and the Capability Review Steering Group.

Register of Interests

Member	Interest declared
Julie Baddeley	Camelot Group plc Board Member Trustee, Kennet Valley Arts Trust Non Executive Director, Spice plc Director, Crysalis VCT plc Director, Greggs plc
Derek Myers	CEO, London Borough of Kensington & Chelsea
Jon Rouse	CEO, London Borough of Croydon Chairman, Croydon Urban Regeneration Vehicle (CURV) Trustee, Fairfields Trust Heulwen Rouse (Spouse), Member of the College of Occupational Therapy
Mike Wheeler	Chairman of Audit Committee, Dubai Holding LLP Audit committee member, Institute of Financial Services Non Executive Chairman, Vantis plc Governor, Reed's School

Frequency of meetings

The Departmental Board met in ordinary, scheduled sessions five times during 2009-10 (27/28 April, 2/3 July, 2/3 September, 1 December & 11/12 February). In addition, the Board met for an extra-ordinary meeting (17 June).

Attendance at Departmental Board Meetings 2009-10

Attendance for the year is recorded below:

Hugh Taylor	6
David Nicholson	6
Liam Donaldson	4
David Behan	6
Richard Douglas	6
Julie Baddeley	6
Derek Myers	2 (out of a possible 3)
Jon Rouse	3 (out of a possible 3)
Mike Wheeler	4

The attendance above covers the 5 regular Board meetings, and the extra-ordinary meeting.

Departmental Board Business, April 2009 – March 2010

The following account provides an overview of business conducted by the Departmental Board during the financial year 2009-10. The Board:

- Considered key DH strategies, at various stages of their development, including the Department's 'Preparing for the Future' planning process in autumn/winter 2009/10 (encompassing finance, system architecture, and election planning); Efficiency in the NHS; Innovation and Research in the NHS; Social Care (future direction, Green Paper, integration and economic and financial context); the Financial Strategy for 2011 and

beyond, covering the next two Spending Reviews. In relation to these strategies the Board provided direction, challenge and advice;

- Reviewed at quarterly intervals the Department's high level risk register, providing direction and challenge. Initiated a review of the DH risk management processes to identify areas for improvement.
- Provided direction, advice and support in preparation for the two year Capability re-Review self-assessment; and following the re-review, the Department's response to the Cabinet Office's Capability Review Team's report.
- Reviewed the results of the Civil Service People Survey and provided challenge and direction for further work in Directorates.
- Provided direction and advice on proposals for the review of Arms Length Bodies, in line with guidance set out in the Government's White Paper on 'Smarter Government'.
- Addressed succession planning in DH in a systematic exercise which also took a forward look at posts likely to come up within DH in the future, and identified development needs by way of a fully moderated Talent Map.
- Provided direction, advice, and recommendations on implementation of the National Programme for IT in the NHS.
- Reviewed the Department's overall performance in 2008-2009, against its Departmental Strategic Objectives, Public Service Agreements, key deliverables, public and parliamentary accountability, and financial targets/controls.

- Was updated, and provided direction and guidance where appropriate, on emerging major issues for example on swine flu; procurement and suspected cases of fraud; Mid Staffordshire NHS Foundation Trust.
- Received regular updates on progress of the Department's Information Assurance following the Cabinet Office's Data Handling Review. Approved and signed-off the DH Information Assurance Policy.
- Received reports on progress with the 'Making Change Happen' project, which encompasses all areas of DH business, and particularly the large, devolved service systems for which DH is the source of policy direction.
- Was updated on the accountability and management arrangements within DH for the Advisory Committee on Clinical Excellence Awards (ACCEA).
- Discussed and agreed to carry out an evaluation of the Departmental Board's performance in line with HM Treasury's 'Corporate governance code for central government'.
- Approved and signed off the DH Business Plan for 2009-11.
- Approved, on the basis of the Audit Committee's recommendation the DH Resource Account 2008/09 for laying before Parliament before the summer recess.
- Was updated and kept abreast of all key issues and events, within the Department of Health, and externally in the health and social care service, in part by way of a monthly 'hot topics' report.
- Monitored updates on the Department's financial position in 2008/09 at each Board meeting.

- Received regular reports from the Audit Committee, Corporate Management Board, Performance Committee, Equality and Human Rights Assurance Group, and the Committee for the Regions.

Extra-ordinary Meeting

An extra-ordinary meeting of the DB was held on 17 June, attended by Sir Gus O'Donnell, Cabinet Secretary, to provide feedback to the Board on the Capability Re-Review of the Department of Health.

Board Development

The Board had agreed a new approach to business, including the shape and content of its meetings at an Awayday in autumn 2008. At an Awayday a year later, the Board reviewed progress on this, and took the opportunity to reflect further on its role in the challenging fiscal context, and the general election required by spring 2010.

All Board members, including the NEDs, also participated in two full day meetings in the first quarter of 2010 with the Permanent Secretaries and the Director Generals. These focused on detailed preparations for the May 2010 general election, with a view to being fully prepared for a possible change of Government.

Minutes and record of decisions

An action note of each meeting was circulated to Board members within 48 hours of each meeting.

The draft full minutes of each DB meeting were sent to the Chair within five working days for comment, and provided a clear record of decisions reached and matters remitted to supporting Boards or individuals. The

minutes were then formally approved by the Board at the subsequent meeting.

The Board Secretariat maintained a record of outstanding actions, which was reviewed by the Board at each meeting.

Communicating the work of the Board

Key issues for staff arising from the work of the Board were communicated through corporate communication channels – the Permanent Secretary's Monthly Update news bulletin on the Department's Intranet, his regular weekly update meeting of Directors General, the monthly team managers' bulletin, and DGs' Face to Face briefings with staff. For all meetings, a 'news story' was produced and published on the Department's intranet shortly after each meeting highlighting the key discussions and their outcomes.

The DB Agenda is posted on the Department's intranet in advance of each meeting.

A summary of the proceedings of each Departmental Board meeting was posted on the DH public website within 3 months of each meeting.