Ashford and St. Peter's Hospitals NHS Foundation Trust

COUNCIL OF GOVERNORS			
Date of meeting	11 September 2025	**Agenda Item**	10.1
Author(s)	Sal Maughan, Associate Director of Corporate Affairs & Governance, Hannah Hamilton, Chief Financial Officer.	**Confidential**	NO
Exec Sponsor	Louise Stead, Group Chief Executive	**Date submitted**	4 Sept 2025
Title of paper	External Governance & Financial Governance Reviews		
Presented by	Sal Maughan, Associate Director of Corporate Affairs & Governance		
Committee(s) where paper has been discussed previously and outcome of discussion:			
This paper was previously shared with Trust Board on 14 August 2025.			

Strategic Objective(s)

Quality of Care	x	**People**	x	**Modern Healthcare**	x	**Digital**	x	**Collaborate**	x

Executive Summary

The purpose of this paper is to present an update on progress against the action plan developed in response to the recommendations made by the 2025 External Governance Review Report (Audit One), and the NHSE Financial Governance Review Report which were presented in full at Board in June 2025.

Recommendation	For: Decision ☐ Discussion ☐ Information ☒
Key issues: State impact/implications and mitigation	
Quality, safety & patient impact	
Employee	
Other stakeholder(s)	
Equality, diversity & inclusion	
Finance	
Legal	
Risk(s) Identified (include link to Corporate Risk Register / Strategic (Board Assurance Framework) Risks:	
N/A	

Ashford and St. Peter's Hospitals NHS Foundation Trust

TRUST BOARD			
Date of meeting	14 August 2025	**Agenda Item**	8.1
Author(s)	Sal Maughan, Associate Director of Corporate Affairs & Governance, Hannah Hamilton, Chief Financial Officer.	**Confidential**	**NO**
Exec Sponsor	Louise Stead, Group Chief Executive	**Date submitted**	6 August 2025
Title of paper	External Governance & Financial Governance Reviews		
Presented by	Louise Stead, Group Chief Executive		

Committee(s) where paper has been discussed previously and outcome of discussion:

n/a

Strategic Objective(s)

Quality Of Care	X	**People**	X	**Modern Healthcare**	X	**Digital**	X	**Collaborate**	X

Executive Summary

The purpose of this paper is to present an update on progress against the action plan developed in response to the recommendations made by the 2025 External Governance Review Report (Audit One), and the NHSE Financial Governance Review Report which were presented in full at Board in June 2025.

The Board is asked to agree that the detailed tracking of delivery of actions is reported to the Audit and Risk committee and will be included in the committee report to the Board. In addition the Finance governance review actions and impact will be reported to the Finance and Performance committee.

Recommendation	For: Decision ☒ Discussion ☐ Information ☐

Key issues: State impact/implications and mitigation

Quality, safety & patient impact	The governance review identifies weaknesses in assurance structures that could impact the Board's ability to consistently oversee quality and safety risks.
Employee	There is an identified need to create a supportive working culture where teams are supported to take ownership, innovate, and learn from failure.
Other stakeholder(s)	Improved governance will strengthen confidence among system partners, regulators, and the Council of Governors.
Equality, diversity & inclusion	A shift toward open, transparent and psychologically safe leadership will help foster greater inclusivity and enable all voices to contribute to improvement.
Finance	The review highlights concerns around financial control. Strengthened local ownership and enhanced accountability is needed.
Legal	Areas where governance documents did not fully reflect regulatory changes are identified.

Risk(s) Identified (include link to Corporate Risk Register / Strategic (Board Assurance Framework) Risks:

All BAF risks.

1. Purpose

Following completion of the external governance review (undertaken by Audit One) and the financial governance review (commissioned by NHS England) earlier this year, the final reports and associated action plans were presented to the Board for approval in June.

This paper provides an update on the programme of work now underway, both in response to the formal action plans and through broader efforts to address the underlying cultural and leadership themes referenced in both reviews.

2. External Governance Review - Key Highlights

While many actions from the reviews are now underway, completed, or in active planning, several significant events have also been held to consider the findings in a broader leadership context. These sessions have supported shared understanding of the reports' implications and have helped shape the wider scope of work required to secure sustained improvements.

Both reviews refer, sometimes implicitly, to the importance of leadership behaviours and organisational culture. While not always addressed directly within the action plans, these aspects are critical to delivering the extent of change required. As such, additional activity is now being progressed to embed a more cohesive, transparent, and improvement-focused leadership culture across the organisation.

2.1. Executive Away Day

Following the publication of the external governance review, the Executive team held an away day on 23 May to reflect on its findings and agree a strategic response. While the report included several important structural and transactional recommendations, the Executive agreed that meaningful and sustained improvement would also require a strong focus on organisational culture, leadership behaviours, and the way we work together across teams and systems. This session helped shape the next phase of the governance and leadership development work, and informed both a Board development Seminar and Senior Leadership Forum in July.

2.2. Board Development Seminar

A Board Development Seminar was held on 9 July 2025 which brought together Board members to reflect on governance maturity, leadership behaviours, and organisational readiness for transformation within the group model. A key focus of the discussions was the importance of credible, data-driven board and committee papers, with an agreed need to move beyond compliance to governance as a true enabler of safety, quality, and improvement. There was also strong recognition that structural fixes alone, such as updated terms of reference, must be accompanied by meaningful cultural change, particularly in relation to divisional accountability and psychological safety.

A range of discussions included the challenge of creating psychological safety across all areas, noting that the 'speak up' culture felt overly reliant on individuals, such as NEDs, rather than embedded within systems. The Board supported leadership development focused on compassionate leadership and surfacing difficult truths.

Strengthening collaboration and role clarity between Executives and NEDs was another key theme, including the proposal of a NED buddying model and increased informal engagement. Governors' role in accountability and upward assurance was also discussed, with a call for greater informal engagement to build trust and mutual understanding.

The seminar outputs directly support the Trust Board action plan in response to the governance reviews and specific next steps include refreshed escalation protocols, training on effective board reporting, rationalisation of divisional structures, and stronger internal communication to support both the governance review and group model development.

2.3. Senior Leadership Forum (Divisional Governance)

The most recent Senior Leadership Forum on 17 July brought together divisional and leadership teams and Executive Directors to build on the Board seminar outputs and collectively address key operational governance challenges. Each Division presented their refection on the external governance review findings, their divisional specific action in response and support required to implement these. More widely, discussions highlighted the need for clearer role definitions and protected time for Triumvirate leadership teams at service level, as well as a rationalisation of overlapping and duplicative meetings. Triumvirates called for more consistent use of escalation frameworks (e.g., AAA-style reporting), standardised divisional review packs, and a clearer line of sight from front-line services to Board-level decision-making.

The session also surfaced concerns about workforce and capacity pressures, including inconsistent meeting attendance and junior staff being disproportionately burdened with manual data collection. There was a shared recognition that access to timely, high-quality data and business intelligence varied across divisions, and this could impact operational decision-making and governance effectiveness. Additionally, leaders highlighted a need to strengthen how the voice of staff, particularly Allied Health Professionals, is captured and acted upon.

Priority next steps were agreed, including the development of a standardised reporting framework for divisional performance, mapping clear escalation pathways, trialling structured escalation reporting mechanisms, and introducing a mechanism for cross-divisional learning. Improving data processes and reducing manual input demands on junior staff will also be prioritised. A follow-up SLF session is planned for August/September, with a focus on leadership culture and ensuring the necessary support is in place to embed the required improvements.

3. External governance review - progress

3.1. Corporate governance

There were 35 recommendations made in relation to corporate governance resulting in 36 actions, many of which focussed upon the update or amendment of formal documents such as committee terms of reference, the Trust Scheme of Delegation and the closer alignment of work programmes of Board committees. Of the 36 corporate governance actions, nine have been completed, ten are in progress and on track with a further five in progress but delayed. A further 11 are in the planning phase. One action is closed (as no longer required) and there are no actions currently at risk. Of those actions which have been delayed, all have a scheduled date for completion by the time of the next available committee meeting with oversight for the action.

3.2. Divisional Governance

A further 30 recommendations were made relating to divisional governance, for which 35 actions have been identified. Of these 23 actions are not due and are in progress or active planning. Of the remaining 12 due by the end of August, three are complete and the remainder are in progress but are delayed owing to the need to re-sequence of meetings due to the availability of key staff across the holiday period. No target date has been extended beyond two months.

4. Financial Governance Review

Progress against the action plan was reported to the July Finance and Performance committee. The deliverables and impact will continue to be reported and discussed at this committee in addition to formal reporting of action closures and progress at the Audit and Risk committee.

The new Chief Finance Officer started in post on 21 July and is reviewing the actions and progress. Any updates will be made to the action tracker and reported to Audit committee on 12 September**.**

4.1. Committee governance

Good progress is being made implementing the governance actions such as reviewing Board and committee timetables and meeting cycle, reviewing terms of reference, making recommended changes to the Scheme of Reservation and Delegation (SORD) and Standing Financial Instructions (SFI) and ensuring leadership effectiveness.

4.2. Cost Improvement Programme (CIP) focus and delivery

The Trust has increased the pace and urgency of its responses to mitigate identified culture risks to reduce the risk of CIP and transformation slippage. Confidence in CIP delivery has increased and completion of the outstanding actions will assist further, in particular critically appraising the opportunities to transform productivity and efficiency included within NHSE benchmarks.

4.3. Capital

New capital investment and capital management policies are in the drafting stage and improvements are being made to capital reporting. The capital sources and capital plans are being approved by the Trust Board.

4.4. Finance capacity

The new CFO will be reviewing the capacity of the finance department, in particular business partnering, to assess the ability of the team to fulfil the demands placed upon them.

4.5. Progress against the formal action plan

Of the 35 finance governance actions, 13 are completed and nine are in progress. A further 13 are either not yet started or are in the planning phase.

5. Governance of action plans going forward

Given the degree of overlap and interdependency between the actions arising from the external governance and financial reviews, it is proposed that the two detailed action plans are brought together into a single, integrated programme of work and report; further, the NHSE financial governance review report recommended oversight be undertaken by the Trust Audit & Risk Committee.

It is therefore proposed that a high-level summary update will be presented to the Board at each meeting to provide strategic oversight. Detailed monitoring of progress against individual actions will be undertaken by the Audit & Risk Committee, which will provide the Board with assurance on delivery. Where appropriate, the Audit & Risk Committee will also confirm the completion and effectiveness of specific actions. In addition, the Finance governance review actions and impact will be reported to the Finance and Performance committee.

6. Recommendations

The Board is asked to:

1. Note summary of progress contained within the report;
2. Approve governance and oversight mechanism going forward.