

CONTENTS

Executive Summary	3
Detailed Findings	6
Appendix I: Survey Results	17
Appendix II: Governance Maturity Matrix	23
Appendix III: Purpose, scope and approach	25
Appendix IV: Board Effectiveness Reviews - principles & resources for ALBs & sponsoring departments	26
Appendix V: Interviewees	27

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EXECUTIVE SUMMARY

Introduction

NHS Blood and Transplant (NHSBT) has its foundations in 1937, following the establishment of the UK's first blood bank to support the treatment of soldiers during WW2. Following this, the National Blood Transfusion Service was founded in 1940 by the Ministry of Health, collecting some 200k units of blood from 270k donors and predating the formation of the NHS later in the same decade. The first successful organ transplant (Kidney) took place in 1963, with heart and liver transplants following soon after. The original donor card came into being in 1971, being expanded on to not only include the donation of kidneys, but also heart, liver, pancreas and cornea a decade later. UK Transplant was formed in 2000, with a remit to increase organ donor numbers and in 2005, NHS Blood and Transplant was formed when UK Transplant merged with the National Blood Services.

NHSBT provides a blood and transplantation service to the NHS, looking after blood donation services in England and transplant services across the UK. This includes managing the donation, storage and transplantation of blood and blood components, organs, tissues, bone marrow and stem cells, and researching new treatments and processes.

This review forms part of a programme of regular board assessments, which includes annual self-assessments together with an externally facilitated review every three years.

Aims and objectives

The aim of this review was to conduct an externally facilitated assessment of the NHSBT Board's performance.

Our brief was to undertake the review using the guidance provided for Arms Length Bodies (ALBs), specifically:

- Corporate Governance in Central Government Departments: Code of Good Practice, HM Treasury and Cabinet Office Guidance (Chapter 4) (referred to as 'The Code'); and
- Board Effectiveness Reviews Principles and Resources from ALBs and Sponsoring Departments.

Our Approach

The review followed a structured methodology to assess NHSBT's governance arrangements and Board effectiveness. The key elements of our evaluation involved:

- · A desktop assessment of key governance documents;
- Observation of: Board meeting (26 November 2024) and Audit, Risk and Governance Committee (6 January 2025)
- Survey on Board effectiveness, including non-executive and Executive members of the Board and the Company Secretary.
- Interviews with a sample of Board members including the Chair, CEO, and a cross-selection of non-executive directors and members of the of the executive board and wider executive team:
- Benchmarking against 'Board Effectiveness Reviews Principles and Resources from ALBs and Sponsoring Departments' and the 'Corporate Governance in Central Government Departments: Code of Good Practice, HM Treasury and Cabinet Office Guidance (Chapter 4)'.

This Report

This report sets out our key findings and makes recommendations where further action is proposed to enhance the effectiveness of the Board and governance operating model based on good practices we see elsewhere.

In the Detailed Findings section (page 6), we have outlined our benchmarking against the key governance principles covered by 'Board Effectiveness reviews: principles and resources for ALBs and sponsoring departments' and the 'Corporate Governance in Central Government Code of Practice' (Chapter 4). For each section we have assessed whether NHSBT and its Board is "Operating Effectively", is "Partially Effective", has "Areas for Improvement" or has a "Gap". A summary of the key conclusions can be found on the following page.

We also conducted a maturity assessment of NHSBT's arrangements against the BDO Corporate Governance Maturity Assessment, which can be found in Appendix II a summary of which is provided on the following pages.

EXECUTIVE SUMMARY

Conclusion

Overall, the structure, governance framework and arrangements in place at NHSBT support effective governance. We note that NHSBT had some significant challenges in this area historically and has worked diligently to effect the changes necessary to address prior governance weaknesses and issues. In some areas, these improvements are still maturing, but solid foundations have been established, and good progress towards improvement has been made.

Our interactions with members of the Board, including interviews, attendance at the Board and engagement through the survey highlighted a good level of passion for NHSBT and what it does; the significance of the role NHSBT has in supporting the NHS and the nation's health in general was understood across the Board, and as a result, the gravity of the Board's role in supporting the organisation to achieve its mission and ambition resonated throughout our interactions.

Whilst the Board governance was generally effective, our assessment highlighted some areas where further enhancements to approaches and thinking would be of benefit to the Board and, as a result, the organisation as a whole. These are discussed within the detailed findings section of this report, with the following four areas considered key themes.

Strategy and ambition

We appreciate the hard work that has gone into shaping NHSBT's strategy. Through our discussions, it became clear that while the strategy aligns with the current funding available, more consideration could be given within the strategy to the bigger question of societal need and how NHSBT could move closer towards this driving further debate on "how can we secure the funding needed to achieve our goals".

Succession Planning and Development

Responses gathered during our review suggest that the level of non-executive director experience (in particular of NHS and public sectors) is a shared concern, magnified by the recent conclusion of experienced Board members' tenure. While there has been good progress made in defining and assessing the technical skills needed for the Board and its Committees, time should also be focused on developing the more general skills and competencies required of a non-executive director. This approach can help pinpoint areas where further development might enhance existing skills and capabilities, or where recruiting new talent is necessary to address any gaps. It is noted that Board recruitment is driven by the Department and therefore succession planning and timing of new appointments sits largely outside of the direct control of NHSBT, although NHSBT is able to influence the Department in its approach.

Size of the Board

The Board has a strong mix of organisational and technical knowledge, which is essential for its oversight responsibilities. However, with currently 15 board members and c.21 individuals regularly attending, its size is larger than what is typically recommended by good practice (8-12 board members). Our survey and interviews suggested that this might be affecting the level of collegiate working needed to support greater effectiveness. While there's no simple solution, it would be worth re-considering the size of the board or how to enhance teamwork over the medium to long-term.

Public vs Private meetings

The need for public meetings to ensure public accountability, transparency and as mandated within legislation is well understood; NHSBT have approached this requirement by adopting the principle that all agenda items should be made public unless there is a good reason not to.

While the current approach to public meetings is suitable, it is worth considering how these are structured in light of a limited level of public attendance and viewership. Understanding what the public finds useful, while meeting any legal and statutory requirements of holding in-public meetings, could help create a more effective approach to the structure and flow of the public meetings and may help to ensure that the Board's contributions at both public and private board meetings are optimal. We acknowledge that some supportive training was provided to the Board in early 2025, which sought to improve the effectiveness of Board challenge during public meetings, and we are advised that this has resulted in some improvement. Additionally, the large volume of papers over both public and private meetings can make it challenging for Board members to thoroughly evaluate and discuss the information, especially when information is only presented for one of these meetings. Although improvements have been made, there should be further focus on making board papers more concise and focused to support effective challenge and oversight.

EXECUTIVE SUMMARY

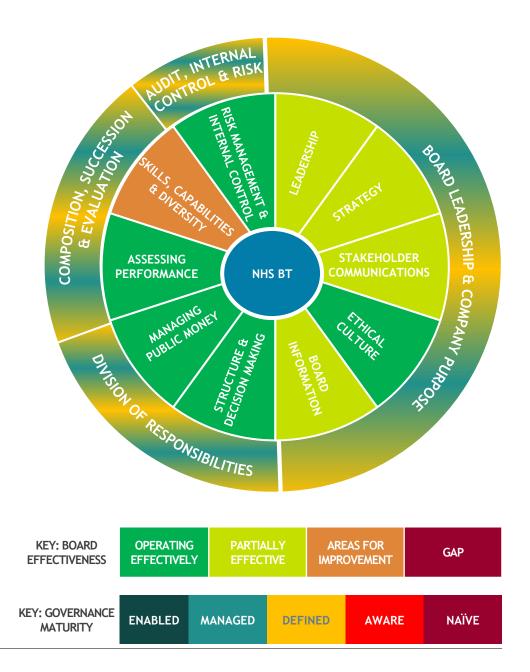
Our assessment against the ten areas specified within the Government's Board Effectiveness Reviews - Principles and Resources from ALBs and Sponsoring Departments document shows that the NHSBT board is operating effectively or partially effectively over the majority of areas reviewed. This is illustrated in the circular diagram and presented in detail across the remainder of this report. This assessment indicates that the NHSBT Board is operating well across the majority of the areas reviewed, albeit with some minor improvements or additional considerations which may enhance current arrangements. The results of the survey together with some high-level analysis of responses received is provided in Appendix I.

Board maturity and effectiveness assessment - approach

- ➤ We determined the effectiveness of the Board across each of the areas referenced in the code. The 'wheel' to the right summarises the level of effectiveness we have determined from our work against each core area reviewed. As noted earlier, this does not indicate future expected performance and considers only performance to date.
- ➤ The outside of the wheel shows our governance maturity assessment which links each core area into four general governance principles within the BDO board maturity model. Based on the number and significance of improvement points identified in each area, we have assessed the maturity of each area against our established, scale naïve to enabled. We have mapped NHSBT's governance maturity in more detail in Appendix II.

This maturity assessment highlighted that arrangements were at a level between defined and managed for the four areas, supporting our general assessment against the Board Effectiveness Reviews - Principles and Resources from ALBs and Sponsoring Departments framework that the Board at NHSBT is operating effectively.

The level of maturity the Board aims for is dependent on several factors and should be determined by the Board itself, however, we consider the level of assessed maturity to be appropriate, based on our understanding, for the nature of NHSBT and the role the Board currently plays within the organisation. The areas of improvement identified during our work will help consolidate the currently assessed level of maturity and in some cases may help move the Board towards a more "managed" state. Nonetheless, due to the additional mechanisms that are needed to operate at higher levels of maturity, it may not be appropriate or necessary for the Board to strive for an increased level of maturity where the current state supports effective governance.



DETAILED FINDINGS

ASSESSMENT AGAINST 'BOARD EFFECTIVENESS REVIEWS: PRINCIPLES AND RESOURCES FOR ARM'S LENGTH BODIES AND SPONSORING DEPARTMENTS'



PARTIALLY FFFFCTIVE AREAS FOR IMPROVEMENT

GAP

1. LEADERSHIP

THE OVERARCHING CULTURE AND TONE SET BY THE BOARD. CLARITY OF, AND LEADERSHIP GIVEN TO, THE PURPOSE, DIRECTION AND VALUES OF THE ALB; HOW THE BOARD'S PRACTICES, RELATIONSHIPS AND CULTURAL NORMS COMPARE WITH OTHER ALBS / BEST PRACTICES.

OUALITY OF DISCUSSIONS AROUND INDIVIDUAL PROPOSALS AND TIME ALLOWED. THE PROCESS THE CHAIR USES TO ENSURE SUFFICIENT DEBATE FOR MAJOR DECISIONS

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 4.2 An effective Board requires the effective discharge of the chair's responsibilities. The lead non-executive Board member will support the chair to help him or her carry out the role effectively, particularly given the competing demands on the chair's time.
- 4.1.5 The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:
 - · a mechanism for learning from past successes and failures within the departmental family and relevant external organisations
 - · allowing sufficient time for the Board to discharge its collective responsibilities effectively

CONCLUSION

PARTIALLY EFFECTIVE

Overall, it was noted that the Board was well led and also provided good leadership to the organisation. The Board's culture, and the culture demonstrated to the organisation as a whole, was found to be in line with good practice. Several survey respondents highlighted that they felt the size of the Board was too large which may also underpin survey scores which indicated that improvements could be made in the way the Board worked together.

In addition to the Board's size, the number of Executive members of the Board was noted to be higher than is typically seen. Although the Board was observed to operate well as a unit, the typical dynamic of the Board holding management to account was less evident, particularly in the public meeting, which may have been as a result of the technicality of some of the areas covered. The survey results indicated that improvement could be made in the way the board operates as a well functioning team.

Responses during our interviews confirmed that it was generally considered that the Chair led the Board well.

The narrative survey results together with our interviews indicated that, although their purpose and necessity was well understood, the value of the public meetings of the Board was questioned.

Areas of good practice

- Board observations highlighted that the Chair led the Board well, seeking engagement around the table to contribute to discussions and providing summaries following each agenda item.
- ✓ Meetings were conducted in a respectful manner, and timings were generally adhered to. Meetings observed ran to schedule.
- Reflecting that all agenda items should be public unless there is a reason for them only to be table at the private session of the board, the split between private and public meetings was appropriate.
- ✓ Our observation of the Board indicated that sufficient time was allowed for discussions on individual items to reach a natural conclusion.

Areas for Enhancement

- 1. Our observations highlighted a higher level of discussion and challenge by the Board during the Private session of the Board as compared to that at the Public meeting. We are pleased to note that the Board held a training session in January to support non-Executive Directors to challenge more openly within the public setting; the level of discussion and challenge should be kept under review at subsequent public meetings to ensure that all non-Executive Directors feel comfortable (and understand their responsibilities) in providing effective oversight during the public meeting.
- 2. The historical governance challenges faced by the organisation have been largely addressed by the current Board, Executive team and changes to the structure and operation of governance at NHSBT.

 During this period, the Chair has taken a lead role in this transformation but as a consequence, the role of the Senior Independent Director (SID) has not been introduced or developed to the extent that is typically seen in ALBs or other sectors. Considering the size of the Board, there is more opportunity for a SID to play a more prominent role in supporting the Chair in shaping governance at NHSBT.

OPERATING EFFECTIVELY PARTIALLY FFFFCTIVE AREAS FOR IMPROVEMENT

GAP

2. STRATEGY

HOW THE BOARD HAS APPROPRIATELY CONSIDERED WHETHER THE ALB'S POLICIES AND ACTIONS SUPPORT MINISTERS' STRATEGIC AIMS

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

4.2 The Board should meet on at least a quarterly basis; however, best practice is that Boards should meet more frequently. It advises on five main areas: Strategic clarity - setting the vision and/or mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of policy issues; using outside perspective to ensure that departments are challenged on the outcomes.

CONCLUSION

PARTIALLY FFFFCTIVE An organisation's strategy establishes the longer-term focus which will be applied in order to support the achievement of its objectives. The NHSBT strategy is clear and future focused, defining the characteristics of success and key ambitions given the funding envelope in which the organisation currently operates. Through review of Board information and discussions over the last year, it was apparent that the Board has inputted into the shape of the NHSBT Strategy, which together with strategies for the individual components of NHSBT provides a clear direction for the organisation for the medium term.

The strategy has been designed within the funding constraints apparent for all NHS organisations and therefore presents an achievable strategy. Concerns were raised during interviews and within survey responses that the strategy is not ambitious enough, particularly when considering the ambition of NHSBT is to build a world where every patient receives the donation they need. By limiting the ambitions of the strategy in line with available funding, there is an increased risk that focus is limited to what can be achieved within the constraints of funding and not how these constraints can be overcome. A focus on what can be achieved within current funding levels may also have contributed to the view that the Board could improve its drive for continuous improvement.

Survey respondents highlighted that more could be done by the Board to remain focused on strategic matters. It is noted that the recent Amber Alert necessitates an increased level of operational oversight than would normally be required.

Areas of good practice

- NHSBT's strategy is well defined and publicly available. The strategy has clearly defined pillars and desired outcomes and is supported by a detailed business plan.
- Supporting strategies for Blood, Organs, Plasma etc have also been developed to support the achievement of the overarching NHSBT strategy.
- In December, NHSBT provided a response to the NHS 10 Year plan; this response was well crafted and provided a longer-term view of the role NHSBT is able to plan in supporting the health of the nation.
- Strong regard has been given to the budget envelope in which NHSBT operates for both the business plan and strategy.
- Board papers and performance reports therein were found to be aligned with the Strategy, providing a golden thread throughout the information provided to the Board.

Areas of Enhancement

- 1. Our desktop review confirmed that the strategy is forward looking, setting the shape of NHSBT's services and to setting the direction of travel towards the meeting of need. However, several points were raised during our fieldwork, which were subsequently confirmed though discussion with the Chair and CEO, highlighting that the strategy has been confined within the funding envelope that is available to NHSBT. As a consequence, the aspirations established in the strategy have been set to progress towards achieving NHSBT's ambition of meeting all donor needs rather than achieving that ambition outright.
 - Ensuring that the strategy can be fully funded is a sensible approach, however, the limits applied may stem the level of strategic thinking needed to establish a longer-term view of the nature of NHSBT and its place with the NHS, the funding (amount and sources) needed to achieve this and therefore the steps needed to be taken.
- 2. In general, we noted that the Board sought to maintain strategic oversight although the recent Amber Alert has necessitated a more detailed review of operational activity. The Board should ensure it challenges itself to remain at an appropriately strategic level and has the quality of information needed for it to do this; although we are not raising a concern in this areas, with the amount of detailed operational performance information available there is an increased risk that the Board could move towards management's role.

OPERATING EFFECTIVELY

PARTIALLY FFFFCTIVE AREAS FOR IMPROVEMENT

GAP

3. STAKEHOLDER COMMUNICATIONS

THE QUALITY OF RELATIONSHIPS BETWEEN ALL BOARD MEMBERS AND ITS RELATIONSHIPS WITH THE ALB'S STAKEHOLDERS. IN PARTICULAR, RELATIONSHIPS BETWEEN THE EXECUTIVE AND NON-EXECUTIVE MEMBERS. THE BOARD AND ITS SPONSORING DEPARTMENT AND MINISTERS

HOW THE BOARD COMMUNICATES WITH, LISTENS AND RESPONDS TO, ITS ORGANISATION AND OTHER STAKEHOLDERS

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

4.10 Where necessary, Board members should seek clarification or amplification on Board issues or Board papers through the Board secretary. The Board secretary will consider how officials can best support the work of Board members; this may include providing Board members with direct access to officials where appropriate.

CONCLUSION

PARTIALLY EFFECTIVE Our review confirmed that there are appropriate communication routes between the Board and key stakeholders, recognising that not all Board members can have the same level of engagement with stakeholders. Those attending stakeholder meetings, including the Chair, were noted to provide updates to the Board on any meetings held, however, a general perception from board members that the Board could improve, as a whole, in this area was noted.

The practice of the Board visiting sites across the country (as part of holding meetings at different venues) was highlighted as beneficial to not only providing Board members with the opportunity to see NHSBT operations but also to engage with the teams "on the ground".

The Chair works hard to encourage respect and to welcome diverse views, however with a large board this can sometimes be difficult as shown in the survey. Points were raised which suggested that the size and composition of the Board as well as the amount of business covered by the Board can sometimes reduce the Board's ability to fully discuss items to the extent some Board members feel is appropriate.

Areas of good practice

- Observations indicated that good relationships had been fostered between the non-executives and executives on the Board.
- Board meetings are held at a mix of venues, enabling the Board to see operations across the country and providing insight into what NHSBT does.
- Regular Board dinners and site visits provide opportunities for the non-Executive Board members to meet outside of formal meetings, supporting the building of relationships with each other, the executives and the wider organisation.
- ✓ There were some good examples of collaborative working shared with us during interviews. Executive and senior management engage with NEDs to tap into their experience
- ✓ The Chair and key members of the executive have developed good relationships with the Department and NHSE.
- ✓ The Executive have established operational relationships with other key stakeholders including hospitals.

Areas for Enhancement

- 1. At times, the typical board dynamic, where the Board holds management to account, was not able to manifest itself as seen at other organisations. This may be due to the number of Executive members on the Board creating a board which is more homogonous and less conducive to a more typical board-management relationship. It is also noted that the Board is relatively large (c.22 individuals at the time of our review) although the reasons behind its size are noted and appear reasonable given the breadth of topics the Board covers. It may, however, be useful to consider the size of the Board in the wider context of the other improvements noted within this report, enabling a more agile and deeper level of discussion on a more focused agenda.
- 2. Survey results, supported by the views of some of those interviewed, highlighted that (in particular), the non-executive members of the Board's relationship with key stakeholders, including the Department and NHSE, is held by a small number of individuals. Although such an approach is not uncommon, improvements could be made to how engagements with these key stakeholders are communicated to the wider Board, with a particular focus on ensuring that those without the opportunity for direct engagement are suitably informed. Considerations to be made include ensuring that the whole board is sufficiently sighted on the areas discussed and any actions arising.

OPERATING EFFECTIVELY PARTIALLY EFFECTIVE

AREAS FOR IMPROVEMENT

GAP

4. ETHICAL CULTURE

HOW CONFLICTS OF INTEREST ARE IDENTIFIED AND MANAGED

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

4.15 All potential conflicts of interest for non-executive Board members should be considered on a case by case basis. Where necessary, measures should be put in place to manage or resolve potential conflicts. The Board should agree and document an appropriate system to record and manage conflicts and potential conflicts of interest of Board members. The Board should publish, in its governance statement, all relevant interests of individual Board members and how any identified conflicts, and potential conflicts, of interest of Board members have been managed.

CONCLUSION

OPERATING EFFECTIVELY

NHSBT has employed appropriate processes to collect and manage conflicts of interest both annually and as part of each meeting. We note that declarations of interest have been published on the NHSBT website. Annual Fit and Proper declarations support a high standard of ethics and probity.

Areas of good practice

- Conflicts of interest form a standing item on Board and Committee agendas.
- ✓ Declarations of interest are updated on an annual basis and published on the NHSBT web site.
- ✓ Annual fit and proper declarations are completed.

Areas for Enhancement

Not applicable.



PARTIALLY FFFFCTIVE AREAS FOR IMPROVEMENT

GAP

5. BOARD INFORMATION

QUALITY OF THE GENERAL INFORMATION PROVIDED ON THE ALB AND ITS PERFORMANCE, IN PARTICULAR KPIS USED AND WHETHER KPIS ARE BEING ACHIEVED;
HOW THE BOARD IS CHALLENGING WHETHER THE DATA IT IS PROVIDED REPRESENTS BEST PRACTICE; QUALITY AND TIMING OF PAPERS AND PRESENTATIONS TO THE
BOARD

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 2.4 The Board should meet on at least a quarterly basis; however, best practice is that Boards should meet more frequently. It advises on five main areas. Results Focus shaping the single departmental plan, including strategic aims and objectives; monitoring and steering performance against plan; scrutinising performance of ALBs; and setting the department's standards and values.

 Management Information ensuring clear, consistent, comparable performance information is used to drive improvements.
- 4.1.4 Timely provision of information in a form and of a quality that enables the Board to discharge its duties effectively
- 4.8 Board members' time is a finite resource. The Board secretary should support the chair, through the Board secretary, to ensure that Board members receive accurate, timely and clear information.

 Board information should be concise and fit for purpose, setting out comprehensive, relevant evidence, and avoiding duplication of data collection efforts. It should cover the main areas of the Board's activities, along with background on the department's policy portfolio
- 4.9 Wherever possible, the information presented to the Board should enable comparison with other departments or relevant organisations.

CONCLUSION

PARTIALLY EFFECTIVE In general, the Board is provided with sufficiently detailed information through which they can understand and appropriately challenge and oversee activities across NHSBT. A golden thread was apparent from the strategy through to performance and board reporting aiding board members in contextualising the information provided.

We noted that board packs were larger than average however, potentially limiting board member's ability to assimilate all the information presented in the time available and therefore having the potential to reduce constructive challenge and the level of oversight provided. Similarly, reflecting the extent of business discussed at the Board, agendas were noted to be "full"; more space within agendas may support better, richer discussions and therefore enhance the quality of governance.

Areas of good practice

- ✓ The Board meets regularly, on at least six days a year, holding both private and public sessions during these days.
- ✓ Board papers are headed by a standard template, defining the purpose of the paper and links to the strategy and associated principal risks.
- ✓ Performance reports are structured around the strategic pillars, providing a clear thread from NHSBT's strategy to performance.
- ✓ In the main, papers are provided on a timely basis.

Areas for Enhancement

- 1. Overall, it was noted that Board packs are sizable, containing a larger amount of information than is typically seen at an ALB Board, especially when considering that packs are developed for both private and public meetings. Too much information can hamper the Board in identifying key issues and ensuring that they are able to provide appropriate oversight and challenge where it is most required.
 - It is understood that the breadth and often complex and technical nature of NHSBT's operations necessitate that a certain level of information is provided to the Board, however, greater refinement and focus across all papers provided to the Board would support more effective oversight. This could be achieved through establishing guidance on paper expectations, supplemented through the provision of training to those contributors that require additional support.
- 2. The agenda for Board meetings was noted to be comprehensive, ensuring that all key areas are covered during meetings. Meeting observations suggested that discussions held concluded naturally and all items were provided with sufficient time to ensure that discussions were appropriate. However, with a full agenda there is the risk that discussion are self-moderated and if time allowed, a deeper and richer level of discussion may have resulted. This is hinted at within narrative responses received in the survey. Consideration should be given to providing more breathing space within agendas to allow for greater depth of discussion and enable a wider contribution across the Board.

OPERATING EFFECTIVELY

PARTIALLY FFFFCTIVE AREAS FOR

GAP

6. STRUCTURES & DECISION MAKING

EFFECTIVENESS OF BOARD COMMITTEES, INCLUDING THEIR TERMS OF REFERENCE, AND HOW THEY ARE CONNECTED WITH THE MAIN BOARD

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 4.3 All Boards should have a nominations committee, which will advise the Board on key elements of effectiveness, including ensuring there are satisfactory systems for identifying and developing leadership and high potential, scrutinising the incentive structure and succession planning for the Board and the senior leadership of the department.
- 4.4 The nominations committee will be advisory; it will advise on whether the department's systems (e.g. for rewarding senior executives) are effective in helping the department achieve it goals. It will not have a role in deciding individual cases (for example the level of reward of a particular senior executive). These functions will continue to be carried out by the executive; under the scrutiny of the nominations committee.
- 4.5 The terms of reference for the nominations committee will include at least the following three central elements: scrutinising systems for identifying and developing leadership and high potential; scrutinising plans for orderly succession of appointments to the Board and of senior management, in order to maintain an appropriate balance of skills and experience; scrutinising incentives and rewards for executive Board members and senior officials, and advising on the extent to which these arrangements are effective at improving performance.
- 5.1 The Board should be supported by an audit and risk assurance committee, chaired by a suitably experienced non-executive Board member

CONCLUSION

OPERATING EFFECTIVELY

NHSBT has established key committees as per requirements, with the role of a nominations committee and renumeration committee being performed by the People Committee. These roles have been clearly defined with the People Committee's Terms of Reference. Documented overviews of each committees provide a clear view of roles, responsibilities and key activities undertaken by the Committee.

We are pleased to note that skills and capabilities of Board members and committee members have been mapped against the requirements of their respective groups, and therefore these are aligned with the requirements of the respective committees.

Observation of the Audit Risk and Governance committee confirmed the robustness of discussions held at this committee and highlighted the extent to which the activities of the Board's committee's support the work of the main Board.

Areas of good practice

- Recent updates to terms of references for committees of the Board have provided greater clarity to these committee's roles and responsibilities
- ✓ Where needed, sub-committees have been established to support the work of the Board Committees and enable these committees to focus more on strategic matters. The structure has been clearly defined.
- ✓ The main committees of the Board provide written and verbal updates to subsequent Board meetings. Key business, discussion points and decisions/recommendations are presented.

Areas for Enhancement

1. At the observed Board meeting, not all committee update papers were presented by the respective chair, with members being asked to raise any comments they had from their own reading of the paper. Although from our desktop review of minutes of Board meetings indicated that a more formal presentation occurred during other meetings, our observations illustrated that a consistent approach to the presentation and discussion of committee updates is not always taken.



PARTIALLY EFFECTIVE AREAS FOR IMPROVEMENT

GAP

7. MANAGING PUBLIC MONEY

HOW THE BOARD AND ITS COMMITTEES SUPPORT THE ACCOUNTING OFFICER IN MEETING THE REQUIREMENTS SET OUT WITHIN MANAGING PUBLIC MONEY.

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

2.7 The Board also supports the accounting officer in the discharge of obligations set out in Managing Public Money for the proper conduct of business and maintenance of ethical standards.

Managing Public Money

3.3.1 It is important that each accounting officer takes personal responsibility for ensuring that the organisation they manage delivers the standards in box 3.1. In particular, the accounting officer must personally sign: the accounts; the annual report the governance statement; and having been satisfied that they have been properly prepared to reflect the business of the organisation, must personally approve; voted budget limits; and the associated Estimates Memorandum.

CONCLUSION



Although not as overt as seen at other ALB's, the Board have appropriate processes in place to support the Accounting Officer in meeting the organisation's 'Managing Public Money' obligations. We confirmed that the Accounting Officer (CEO) signed the last annual accounts and they are reviewed by the Board prior to issue. The roles of the Board and Accounting Officer were defined, with the Board supporting the Accounting Officer through their approval and monitoring of agreed budgets and approval of investment spend in line with delegated authority

Areas of good practice

- The Board, through financial performance reports presented at each meeting, are provided with transparent financial information through which the use of public money can be challenged.
- ✓ NHSBT's strategy and related business plans are based on the funding envelope available; challenge from the Board the ARGC were noted during the meetings observed if the investments and activities presented made the best use of available funds.
- The organisations accounts were signed by the Accounting Officer and reviewed and approved by the Board in line with requirements.

Areas for Enhancement

Not applicable.

OPERATING EFFECTIVELY

PARTIALLY EFFECTIVE AREAS FOR IMPROVEMENT

GAP

8. ASSESSING PERFORMANCE

EVALUATING INDIVIDUAL AND COLLECTIVE PERFORMANCE

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 4.12 The lead non-executive Board member should support the chair to ensure a Board effectiveness evaluation is carried out annually, and with independent input at least once every three years.
- 4.1.6 The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including: a formal and rigorous annual evaluation of the Board's performance and that of its committees, and of individual Board members
- 4.13 The lead non-executive Board member should ensure the chair acts on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, recommending new members be sought for the Board (subject to the open appointments process) or seeking the resignation of Board members.
- 4.6 The attendance record of individual Board members should be disclosed in the governance statement and cover meetings of the Board and its committees held in the period to which the resource accounts relate.
- 4.14 Evaluations of the performance of individual Board members should show whether each continues to contribute effectively and corporately and demonstrates commitment to the role (including commitment of time for Board and committee meetings and other duties).

CONCLUSION

OPERATING EFFECTIVELY

The Board has deployed mechanism to support the assessment of performance, including that of itself, its committees and the individual members thereof. Self-assessments, based on a well-structured survey approach provides opportunity for individual members to evaluate the Board's performance objectively. At an individual level, annual objectives provide a framework through which performance is assessed.

Assessments are performed on the anniversary of non-executive members joining the Board, which has a benefit of spreading assessments out across the year but does mean that individual appraisals are less likely to be timely enough to feed into the annual Board and Committee assessment process.

Areas of good practice

- Regular, annual self appraisals of the Board and its committees takes place using a clear methodology.
- Annual appraisals of individual non-executive directors takes place on the anniversary of their appointment.
- Non-executive appraisals are objective led objectives are set at an individual level and appraised annually as part of the established process
- ✓ Structured surveys are utilised to gain a perspective on Board and committee performance. Action plans developed from the findings arising are tracked.
- NHSBT has engaged with external board and governance effectiveness review providers regularly, including assessments conducted by the internal audit team. From the evidence reviewed, responses from NHSBT to any findings raised has been appropriate, with a willingness to accept challenge and an openness to improvement.

Areas for Enhancement

Not applicable

OPERATING EFFECTIVELY

PARTIALLY EFFECTIVE AREAS FOR IMPROVEMENT

GAP

9. SKILLS, CAPABILITIES AND DIVERSITY

THE COMPOSITION OF THE BOARD AND ITS COMMITTEES; INCLUDING THE BALANCE OF SKILLS, EXPERIENCE, KNOWLEDGE, AND DIVERSITY (INCLUDING DIVERSITY IN ITS BROADEST SENSE, I.E. DIVERSITY OF PLACE)

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 3.11 The Board should include people with a mix and balance of skills and understanding to match and complement the department's business and its strategic aims, typically including: leadership, management of change in complex organisations, process and operational delivery, knowledge of the department's business and policy areas, corporate functions, such as finance, human resources, digital, commercial and project delivery
- 4.1.1 The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:

 formal procedures for the appointment of new Board members, tenure and succession planning for both Board members and senior officials
- 4.1.3 The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including: induction on joining the Board, supplemented by regular updates to keep Board members' skills and knowledge up- to- date
- 4.1.7 The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including: a dedicated secretariat with appropriate skills and experience

CONCLUSION

AREAS FOR IMPROVEMENT

Overall, NHSBT has created effective mechanisms to understand the skills and capability requirements of its Board and Committees from an organisational knowledge perspective and has in place effective mechanisms through which these can be assessed. Notwithstanding, we note that more general skills and capabilities of an effective non-executive director do not form part of these formal mechanisms (outside of the appraisal process) and therefore their inclusion may help identify where additional support is needed to improve the effectiveness of the Board and may help to inform non-executive recruitment requirements.

Reflecting on the concerns raised with succession planning during our review, the apparent loss of non-executive experience was cited as a key concern with current succession arrangements and therefore better consideration of this area may work to alleviate these concerns.

Areas of good practice

- ✓ A clear set of competencies needed as a board and for individual committees has been developed in the form of skills matrices.
- Respondents self score, and scores are validated by the Chair and Company Secretary before being considered.
- The Board has made use of associate non-executive directors to supplement skills and competencies.
- √ The Board is made up of individuals with a good mix of backgrounds and experiences.
- ✓ The Board is reasonably well balanced in terms of characteristics which are traditionally considered when assessing diversity.

Areas for Enhancement

- 1. Succession planning was raised in surveys and in interviews as an area where improvements can me made. This is a known weak point for NHSBT and we note that plans are in place to address this area.
- 2. We note that skills matrices have been developed and are used to assess board members (and support recruitment of new non-executives) but the skills assessed are focused towards those of understanding the range of operational and technical areas covered by the Board and its committees and not to the skills and competencies needed to be an effective non-executive director. Currently, the Board's balance is leaning towards newer non-executive directors who have less experience in operating within an ALB environment and some who are relatively inexperienced as a non-executive director. With the pending loss of several experienced non-executive directors, there is an opportunity to reflect on and if possible, enhance this strand of diversity of the Board.
 - Consideration should be given to widening the skills assessment to include those relevant to the performance of an effective non-executive role. Opportunity to support the development of more effective non-executive director skills should be provided as part of the Board's development programme as enhancing these skills will naturally lead to a more effective Board.

OPERATING EFFECTIVELY

PARTIALLY FEFECTIVE AREAS FOR IMPROVEMENT

GAP

10. RISK MANAGEMENT & INTERNAL CONTROL

PROCESSES FOR IDENTIFYING, REVIEWING AND MANAGING RISKS

SUPPORTING PRINCIPLES

Corporate Governance in Central Government Code of Practice

- 2.4 The Board should meet on at least a quarterly basis; however, best practice is that Boards should meet more frequently. It advises on five main areas: Commercial Sense approving the distribution of responsibilities; advising on sign-off of large operational projects or programmes; ensuring sound financial management; scrutinising the allocation of financial and human resources to achieve the plan; ensuring organisational design supports attaining strategic objectives; setting the department's risk appetite and ensuring controls are in place to manage risk; evaluation of the Board and its members, and succession planning.
- The Board should ensure that there are effective arrangements for governance, risk management and internal control for the whole departmental family. Advice about and scrutiny of key risks is a matter for the Board, not a committee. The Board should be supported by; an audit and risk assurance committee (ARC), chaired by a suitably experienced non-executive Board member, an internal audit service operating to Public Sector Internal Audit Standards, sponsor teams of the department's key ALBs

CONCLUSION

OPERATING EFFECTIVELY

Through the process of assessing the Board's effectiveness, our review confirmed that the organisations risk management approach has been subject to significant improvements in recent years. Underpinning the Board's view of risk is the Board Assurance Framework (BAF), which does provide the Board with a comprehensive view of principal risks and the key mitigations in place to manage them. Currently, the risk framework does support the Board in reviewing and assessing NHSBT's key risks, but it was also acknowledged that further embedding is required to develop the risk management approach further, building on the understanding developed during recently held risk workshops.

Through enhancing reporting on and visibility of risk, it is important to ensure that improvements made do not cause a dissociation of risk from operational and strategic activity. This can occur when risk becomes a distinct agenda item and therefore falls away from being considered as part of each item on the Board agenda. Currently, the balance in place is appropriate, reflecting the level of risk maturity and the mechanisms in place to reference risk as part of Board paper coversheets.

Areas of good practice

- It is apparent that a lot of work has been done on improving the description of risks as well as the risk management process overall.
- ✓ The Board Assurance framework identifies where assurance is received against principal risks.
- Performance dashboards are linked to strategic pillars and therefore assurance on the management of risks can be gained from reported performance.
- ✓ Associated risks were clearly highlighted on Board papers.
- Through our interviews, it was apparent that several non-executive directors hold a very good understanding of risk management processes and how risk, operations and strategy interlink. This understanding was demonstrated during the sessions of the Board and the ARGC we observed.

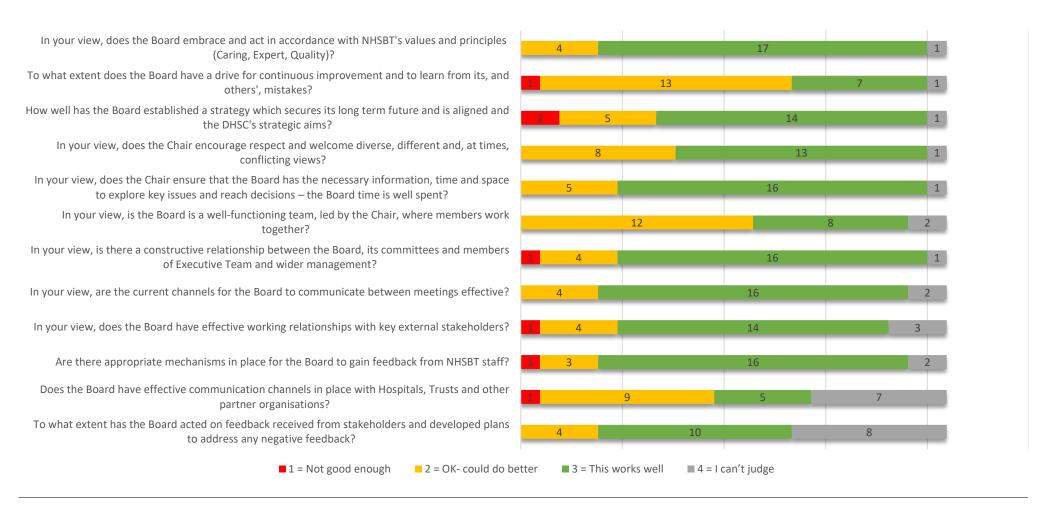
Areas for Enhancement

1. It was widely acknowledged through the survey responses and during interviews that there had been a significant up lift in risk management understanding and engagement, largely driven by risk workshops, prior to our review. However, it was also noted that although risk management discussion, understanding and engagement had improved, there remained some views that identified that this had not yet had time to translate to a business-as-usual improvement. The support the ongoing building of understanding and engagement of all the Board on risk, risk interdependencies and the impact on strategy and operations that may result if risks were to crystalise should continue.

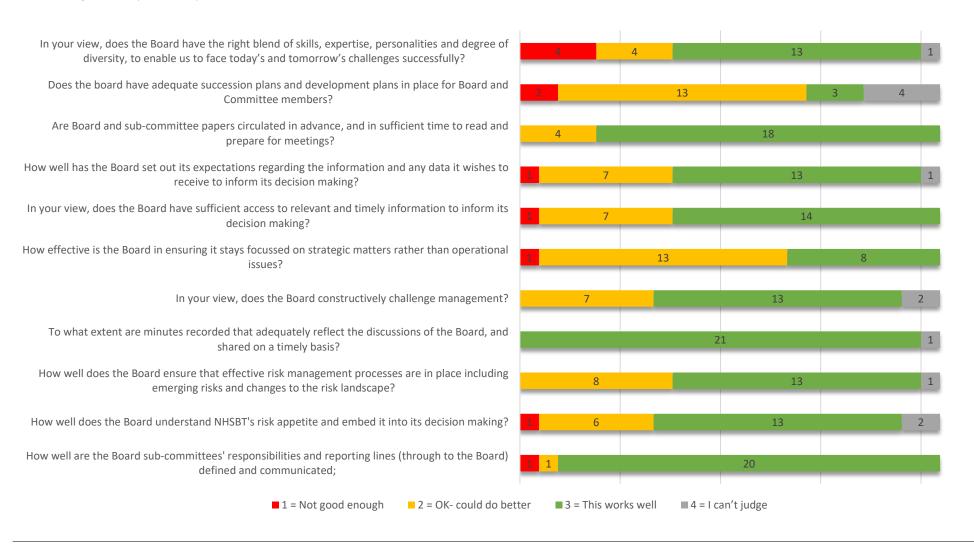
APPENDICES

Board Survey Results

The Board Effectiveness Survey includes 23 questions where a rating was required (not including the options provided to leave a written response) and completed by 21 members of NHS BT. This comprises of eight non-executive members of the NHS BT Board, 12 members of the Executive and the Company Secretary.



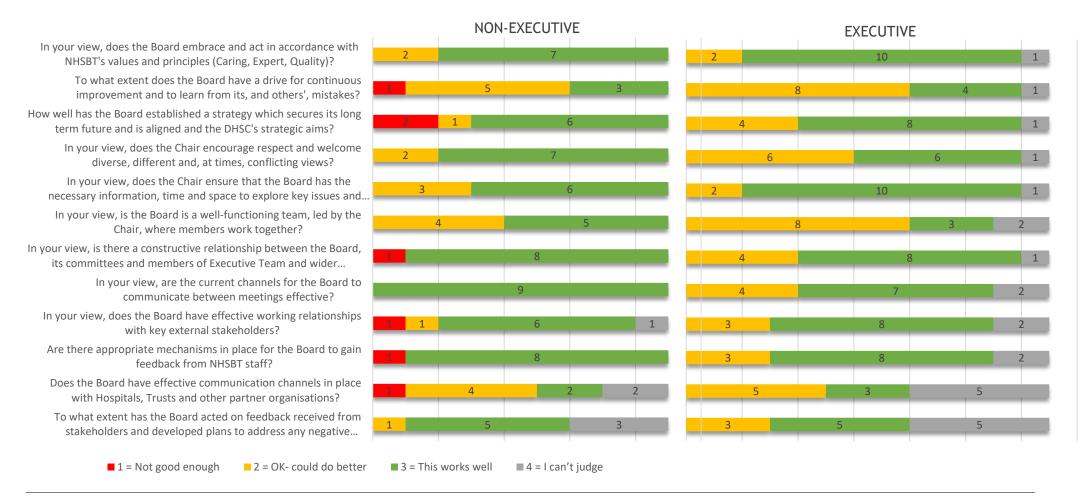
Board Survey Results (continued)



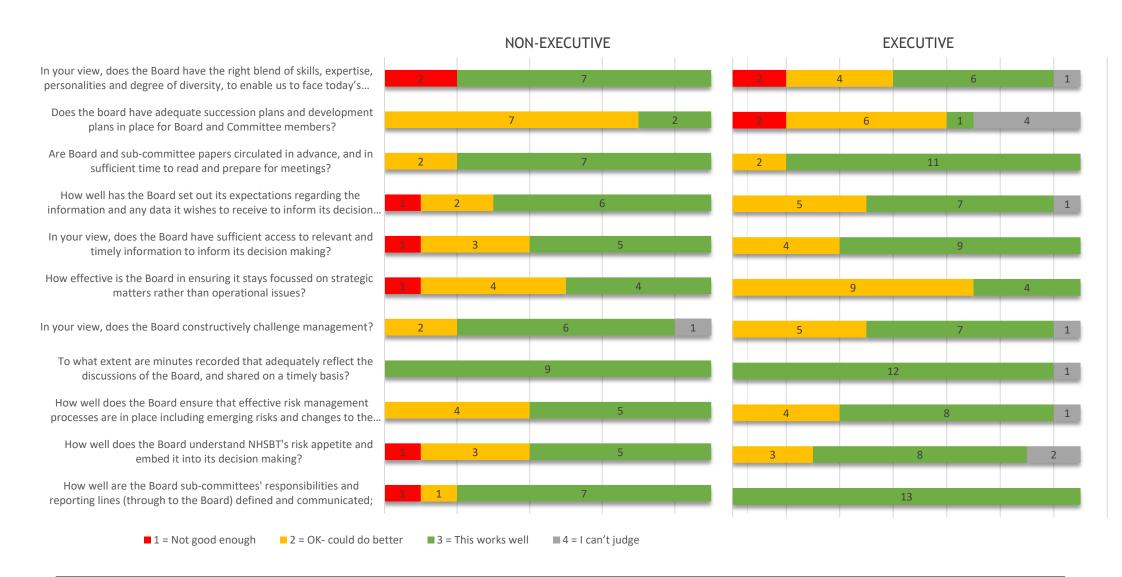
Executive and Non-Executive Split

Executive / Board Split

On the following two pages the survey responses from the Executive and the non-executive members of the Board have been presented separately. A high-level analysis shows that in general, the Executive generally held a more positive view of the Board's performance in areas questioned and it is noted that the "not good enough" responses were in the main provided by the non-executive and not by executive directors of the Board. Notwithstanding, the sentiment of the results from non-executives and executives were broadly similar



Executive and Non-Executive Split



Highest and Lowest Scoring Survey Questions

The table below outlines the top scoring questions and lowest scoring questions from the Board Evaluation Survey.

Area	Questions	Number responding "This Works Well"	Number responding "OK, Could do Better"
Highest Scoring			
Board Information	To what extent are minutes recorded that adequately reflect the discussions of the Board, and shared on a timely basis?	21	0 (+1 Cannot Judge)
Board Information	How well are the Board sub-committees' responsibilities and reporting lines (through to the Board) defined and communicated;	20	1 (+1 Not Good Enough)
Board Information	Are Board and sub-committee papers circulated in advance, and in sufficient time to read and prepare for meetings?	18	4
Ethical Culture	In your view, does the Board embrace and act in accordance with NHSBT's values and principles (Caring, Expert, Quality)?	17	4 (+1 Cannot Judge)
Lowest Scoring			
Skills, Capability and Diversity	How effective is the Board in ensuring it stays focussed on strategic matters rather than operational issues?	8	13 (+1 Not Good Enough)
Skills, Capability and Diversity	Does the board have adequate succession plans and development plans in place for Board and Committee members?	3	13 (+2 Not Good Enough, +4 Cannot Judge)
Board Information	To what extent does the Board have a drive for continuous improvement and to learn from its, and others', mistakes?	7	13 (+1 Not Good Enough, +1 Cannot Judge)
Skills, Capability and Diversity	In your view, is the Board is a well-functioning team, led by the Chair, where members work together?	8	12 (+2 Cannot Judge)
Stakeholder Communications	Does the Board have effective communication channels in place with Hospitals, Trusts and other partner organisations?	5	9 (+1 Not Good Enough, +7 Cannot Judge)
Ethical Culture	In your view, does the Chair encourage respect and welcome diverse, different and, at times, conflicting views?	13	8 (+1 Cannot Judge)

APPENDIX II - GOVERNANCE MATURITY MATRIX

Our matrix describes a governance maturity level of good governance principles, based on our knowledge of the UK Corporate Governance Code and Corporate Governance in Central Government Code of Practice. Based on the number and severity of our detailed findings, we have mapped our assessment of NHSBT's governance maturity below.

	GOVERNANCE PRINCIPLES				
	ENABLED	MANAGED	DEFINED	AWARE	NAÏVE
Board Leadership and Company Purpose	The Board is effective and entrepreneurial and promotes the long-term sustainable success of the Company. The Company's purpose, values and strategy are clearly defined, and the culture of leadership promotes this. Engagement with stakeholders is highly effective and participation from stakeholders is encouraged. The Board measures performance effectively against the strategic objectives and there is a framework of effective and prudent controls. There is an effective route for the workforce to raise concerns.	The Board is generally effective and promotes the long-term success of the Company. The Company's purpose, values and strategy are defined, and the culture of leadership aligns with this. Engagement is undertaken with stakeholders, and participation from stakeholders is encouraged. The Board measures performance against the strategic objectives and has an internal controls framework. There is a route for the workforce to raise concerns.	The Board is somewhat effective and has taken steps to promote the long-term success of the Company. The Company's purpose, values and strategy are defined, but not well communicated or understood. There is some engagement with stakeholders or shareholders. The Board has some oversight in how the company is meeting its objectives and has an internal controls framework. There is a route for the workforce to raise concerns.	The Board has the long term- sustainable success of the company at heart but does not always articulate this well. The Company's purpose, values and strategy are not well defined. The Board and Leadership do not communicate the culture they envisage to enable the Company to be successful and meet its objectives. Engagement with stakeholders and shareholders takes place but is not two-way. The Board does not exercise oversight of how the company is meeting its objectives and an internal controls framework is not in place. The workforce has a route to raise concerns but there is no oversight by the Board.	The Board does not think in terms of the long-term sustainable success of the Company. The Company's purpose, values and strategy are not clear. The culture of the Board and Leadership does not promote a culture that enables the Company to be successful or meet its objectives. There is no engagement with stakeholders or shareholders. The Board does not have oversight of how well the company is meeting its objectives and an internal controls framework is not in place. There is no route for the workforce to raise concerns.
Division of Responsibilities	Division of responsibilities between the leadership of the Board and of the Company's business is clearly defined. The Chair is effective in leading the Board. NEDs have enough time to fulfil their responsibilities and can be relied upon to actively scrutinise and challenge management. The Board has the policies, processes, information and resources in place that it needs to function effectively and efficiently.	Division of responsibilities between the leadership of the Board and of the Company's business is defined. The Chair is effective in leading the Board. NEDs have enough time to fulfil their responsibilities and usually scrutinise and challenge management. In the main, the Board has the policies, processes, information and resources in place that it needs to function effectively and efficiently.	Division of responsibilities between the leadership of the Board and of the Company's business is defined. The Chair is effective in leading the Board most of the time. NEDs generally have enough time to fulfil their responsibilities and provide some constructive challenge to management. The Board has some policies, processes and information in place to ensure it functions effectively and efficiently.	Division of responsibilities between the leadership of the Board and of the Company's business is defined but not always followed. The Chair fulfils the requirements of an effective leader some of the time. NEDs do not always dedicate the expected amounts of time to Board business and do not consistently challenge management. There are some defined policies, processes to ensure the Board functions effectively and efficiently, however these are not consistently implemented.	There is no clearly defined division of responsibilities between the leadership of the Board and of the Company's business. The Chair does not fulfil the requirements of an effective leader. NEDs do not dedicate the expected amounts of time to Board business and do not constructively challenge management. There are no defined policies, processes to ensure the Board functions effectively and efficiently.

APPENDIX II - GOVERNANCE MATURITY MATRIX

	GOVERNANCE PRINCIPLES				
	ENABLED	MANAGED	DEFINED	AWARE	NAÏVE
Composition, Succession and Evaluation	Appointments to the Board are subject to a formal, rigorous and transparent process. Succession plans are in place for the Board and Senior Management. The Board has diversity in its membership and membership is regularly refreshed. The Board annually evaluates its effectiveness, both collectively and individually and responds with an action plan.	Appointments to the Board are subject to a formal process. Succession plans for members of the Board and Senior Management are discussed but not documented. The Board has some diversity in its membership and a plan to address any gaps. No Board members have been in post >9 years. The Board is subject to an annual evaluation of its effectiveness and has action plans in place.	The process for appointments to the Board is formalised. Succession plans are discussed for Board members who are approaching 9 years tenure. The Board has taken some steps to address diversity in its membership but there are still gaps to address. The Board has completed an evaluation of its effectiveness.	Appointments to the Board are somewhat formalised. There are no succession plans in place for members of the Board, or Senior Management, and some Board members have been in post for >9 years. The Board recognises the need to address diversity in its membership. The Board has completed an evaluation of its effectiveness.	Appointments to the Board are not subject to a formal process. There are no succession plans in place for members of the Board or Senior Management and some Board members have been in post for >9 years. There are no plans to address diversity in Board membership and is no evaluation of the Board's effectiveness has taken place.
Audit, Risk and Internal Control	The Board has robust arrangements for ensuring that a fair, balanced and understandable assessment of the company's position and prospects is presented. An Audit Committee, that possesses the required skills, has effective oversight of the internal control framework and the systems of risk management, including an internal audit function. The Board has established policies and procedures to satisfy itself on the integrity of financial and narrative statements.	The Board has arrangements for ensuring that a fair, balanced and understandable assessment of the company's position and prospects is presented. The Board has arrangements for the oversight of systems of risk management and internal control, including an internal audit function. The Board has policies and procedures to satisfy itself on the integrity of financial and narrative statements.	The Board has some arrangements for ensuring that a fair, balanced and understandable assessment of the company's position and prospects is presented. The Board does not practice consistent oversight of the systems of risk management and internal control. The Board has some policies and procedures to satisfy itself on the integrity of financial and narrative statements.	The Board has some of the expected arrangements for ensuring that a fair, balanced & understandable assessment of the company's position and prospects is presented. The Board has taken some steps to establish systems of risk management and internal control. The Board has some formalised arrangements to satisfy itself on the integrity of financial and narrative statements.	The Board has no arrangements for ensuring that a fair, balanced & understandable assessment of the company's position & prospects is presented. The Board does not maintain sound systems of risk management and internal control and has no internal audit function The Board has no formalised arrangements to satisfy itself on the integrity of financial and narrative statements.

APPENDIX III: PURPOSE, SCOPE AND APPROACH

Purpose and Scope of the Review

The purpose of this review is to conduct an externally facilitated review of the effectiveness of the Board and its committees in line with the expectations set out in the 'Corporate Governance in Central Government Departments: Code of Good Practice, HM Treasury and Cabinet Office Guidance (Chapter 4)' and in particular Appendix 1 - 'Board Effectiveness Reviews - Principles and Resources for ALBs and Sponsoring Departments'. The scope of the review is to complete a formal and rigorous evaluation of the Board, and its committees, with the objective of identifying what is working well and where matters can be improved.

Approach

We will undertake a structured approach to assessing NHSBT's governance arrangements, having given consideration to the culture, people and values at NHSBT. The key elements of our evaluation will involve:

- Survey: We will survey Board members, Executive Directors and any of the wider leadership team and other stakeholders you request, to obtain insights into, and evaluate the maturity of, NHSBT's governance arrangements, leadership and behaviours.
- ▶ Interviews: We will interview Board members and key Executive Directors including the Chief Executive, and the Deputy Chief Executive Officer. Interviews with Board members will focus on organisational purpose, their respective roles on the Board, their relationship with the Executive team, and their views on the effectiveness of the governance arrangements already in place. Interviews with Executive Directors will focus on their perceptions of the profile and importance of good governance across the organisation and how the relationship between the non-executive and Executive Directors on the Board as well as the relationship between the Board and the wider organisation works in practice.
- ▶ Desktop Review: Our desktop review will cover the extent to which NHSBT's governance arrangements meet with good practice for the in-scope areas of Board Effectiveness Reviews Principles and Resources for ALBs and Sponsoring Departments'. This will include: Roles and responsibilities; Board Membership; Strategy and objectives; Oversight and challenge; Team working; Roles and responsibilities; Communication with Stakeholders; Board Membership; Board Processes; Board Papers; Risk Management; Tone from the Top.

We will review documents against the Principles and Provisions from the 'Corporate Governance in Central Government Departments: Code of Good Practice, HM Treasury and Cabinet Office Guidance (Chapter 4)' focusing on: process for the appointment of new Board members (including the need for a Nominations committee); tenure and succession planning, induction and, support for the Board (secretariat); role of the lead Non-Executive Board member;, and processes for identifying and responding to conflicts of interest.

We will also review the report from the previous Board Effectiveness Review and build into our workplan a review of the extent to which the identified improvements have been implemented.

▶ Board Observation: We will carry out an observation of a meeting of the Board which will look at how the members communicate with one another, how prepared members are for the meetings, how much involvement each member has with the discussion, the level of challenge that takes place and the decision-making protocols followed.

Our observations will involve:

- ▶ Preparation: Advance reading of all the papers for the meeting to become familiar with the content and quality of reports, review of NHSBT's strategic priorities by reviewing strategic plan (or similar), most recently published financial statements and latest risk register. A full biography of the Board members to understand their skills and experience profile would be helpful.
- Observation of the meeting: Attendance at the meeting (without making any contribution to the proceedings) and taking notes of observations made throughout.
- ► Feedback: Our observations from the meeting will be integrated into our report with any specific findings being included under the detailed findings and recommendation section.

Throughout our work we will be alert to Board member behaviours, culture and values, and if we observe any matters, we will include them in our report. We will also conduct an observation of Audit Risk and Governance Committee.

Maturity Assessment: We will include an assessment of the maturity of NHSBT's Board effectiveness using our five-point maturity scale, from Naïve to Enabled.

APPENDIX IV: BOARD EFFECTIVENESS REVIEWS - PRINCIPLES & RESOURCES FOR ALBS & SPONSORING DEPARTMENTS

Content

The scope and areas of focus should be appropriate to the specifics of the ALB. No one size fits all.

Areas which must be considered as part of the annual review include:

How the Board and its committees support the Accounting Officer in meeting the requirements set out within Managing Public Money.

Areas which may be considered as part of the annual review include:

- ▶ The overarching culture and tone set by the Board. Clarity of, and leadership given to, the purpose, direction and values of the ALB;
- ► How the Board has appropriately considered whether the ALB's policies and actions support Ministers' strategic aims;
- The quality of relationships between all Board members and its relationships with the ALB's stakeholders. In particular, relationships between the executive and non-executive members, the Board and its sponsoring department and Ministers;
- How the Board communicates with, listens and responds to, its organisation and other stakeholders;
- The composition of the Board and its committees; including the balance of skills, experience, knowledge, and diversity (including diversity in its broadest sense, i.e. diversity of place);
- Processes for identifying, reviewing and managing risks;
- Succession and development plans;
- Progress on the implementation of recommendations made in the last annual review;
- Quality of the general information provided on the ALB and its performance, in particular KPIs used;
- Evidence that the Board is using high quality performance data to assess whether outcomes and KPIs are being achieved, and how the Board is challenging whether the data it is provided represents best practice;
- Quality and timing of papers and presentations to the Board;
- Quality of discussions around individual proposals and time allowed. The process the chair uses to ensure sufficient debate for major decisions or contentious issues including how constructive challenge is encouraged;
- ▶ Effectiveness of Board committees, including their Terms of Reference, and how they are connected with the main Board; and
- ▶ How the Board's practices, relationships and cultural norms compare with other ALBs / best practices.

APPENDIX V: INTERVIEWEES AND OBSERVATIONS

During this review we interviewed the following Board members and Senior Executive Team.

NAME	ROLE / OTHER POSITION / COMMITTEE MEMBERSHIP		
Board Members			
Peter Wyman	Chair of the Board		
Piers White	Chair of the ARGC		
Caroline Serfass	Non-executive member of the Board		
Prof. Charlie Craddock	Non-executive member of the Board		
Rachel Jones	Non-executive member of the Board		
Nicola Yates	Associate non-executive member of the Board (non-voting)		
Senior Executive Team			
Jo Farrar	Chief Executive		
Wendy Clark	Deputy Chief Executive		
Carl Vincent	Chief Finance Officer		
Silena Dominy	Company Secretary		

MEETING	DATES OBSERVED
Private Meeting of the Board	26 th November 2024
Public Meeting of the Board	26 th November 2024
Audit, Risk and Governance Committee (ARGC)	6 th January 2025

FOR MORE INFORMATION:

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