

Board Effectiveness Review 2024/25 Action Plan

Background

Between November 2024 and January 2025, BDO LLP undertook a Board effectiveness review. Their work has included observing Board and Board Committee meetings, surveying the views of all Board members, interviewing the Chair, Chief Executive and a sample of directors, and undertaking a desk top review of governance documentation. Benchmarking against the Corporate Governance in Central Government Departments: Code of Good Practice and HM Treasury and Cabinet Office Guidance (Chapter 4) was included.

BDO attended a Board seminar session on 21 January 2025 to present their draft findings and provide an opportunity for all Board members to discuss these further.

The final report on NHSBT's Board effectiveness was formally presented to the Board at its meeting on 1 April 2025.

Main Findings

BDO found that "Overall, the structure, governance framework and arrangements in place at NHSBT support effective governance." They noted 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."

Whilst the Board governance was generally effective, BDO's assessment highlighted some areas where they felt that further enhancements to approaches and thinking would be of benefit to the Board and, as a result, the organisation as a whole. These related to four key themes:

- Strategy and Ambition
- Succession Planning and Development
- Size of the Board
- Public vs Private meetings

Board Response

The Board have considered the detailed findings of BDO following their presentation and in view of feedback from Directors the following response and actions are proposed:

Recommendation	Action
Strategy and Ambition 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".	<p>Maintain difference between our mission/ambition and our strategy.</p> <p>Mission/ambition "To save and improve even more lives, building a world where every patient receives the donation they need".</p> <p>Our strategy to remain pragmatic and rooted in the realism of our funding envelope and aligned with operational realities. This is currently focussed on the five strategic priorities:</p> <ul style="list-style-type: none">• Grow and diversify our donor base to meet clinical demand and reduce health inequalities,• Modernise our operations to improve safety, resilience and efficiency,• Invest in people and culture to ensure a higher performing, inclusive organisation,• Drive innovation to improve patient outcomes, and• Collaborate with partners to develop and scale new services for the NHS. <p>Strategically focused discussions in the Board to continue to consider different areas of strategic opportunity, efficiency savings and commercial opportunities to increase our financial resources.</p> <p>Ensure clarity on strategic trade-offs (i.e. what is not being progressed, to enable delivery of key strategic priorities.</p> <p>Strategic seminar session to be held on 21 July 2025.</p> <p>Clarity on Board/Board Sub-committee oversight of strategies to ensure traction is maintained.</p>

Recommendation	Action
<p>Succession Planning and Development</p> <p>While there has been good progress made in defining and assessing technical skills needed for the Board and its Committees, time should also be focussed on developing 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.</p>	<p>Succession planning for non-executive directors is led by DHSC liaising with the NHSBT Chair. Consideration of required skills is key and renewal of existing appointments or new appointments for key roles are discussed in advance. This early liaison should continue.</p> <p>The People Committee reviews succession planning and talent management for Executive Director roles and is aware of the need to consider the gap between 8d level roles and ESM roles. This work continues.</p> <p>Consider how broader professional diversity is built into future planning. A mix of longstanding tenure bringing institutional memory and new appointments to bring fresh views is beneficial.</p> <p>The Board Skills and Capability Framework has been recently reviewed by the Board and now includes additional general skills, attributes and qualities required of a Board member (strategic thinking and decision making, constructive challenge, financial and numeracy skills). In addition the NHS Leadership Competency Domains are also included in the Framework. Assessment against these elements will be included in August/September 2025 and will identify whether any specific sessions should be arranged.</p> <p>A non-executive director session relating to constructive challenge was held in January 2025 which was considered beneficial.</p>
<p>Size of the Board</p> <p>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 is typically recommended by good practice (8-12 board members). 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.</p>	<p>Given the complexity of NHSBT, the statutory requirement for certain executive posts and for non-executives to be greater in number than executives, the Board is necessarily larger than good practice recommends.</p> <p>Whilst a slight reduction in size may be possible over time, opportunities to reduce size would be taken as conditions permit rather than by way of structural change.</p> <p>Whether members of the Executive Team, who are not Officer Members of the Board, continue to attend all Board meetings, or join meetings solely for discussion of subjects relevant to their areas of responsibility could be considered further. The focus should otherwise be on ensuring relationships and ways of working are such that NHSBT's large Board can operate effectively.</p>

	<p>In September 2024 the Board agreed objectives in relation to Board collaboration and culture, namely 'To enhance collaborative and transparent board culture that enhances decision-making, accountability, and strategic oversight, ensuring the board operates with a high level of trust and engagement'. This to be achieved by:</p> <ul style="list-style-type: none"> • Promoting open and effective communication channels to ensure all voices are heard and respected • Transparent Board activities and decisions allowing full inclusive debate • Active participation and engagement from all Board members fostering a sense of ownership and commitment • Clarity in roles and responsibilities for Board members with monitoring of completion of actions assigned during meetings • Focus on long-term strategic goals <p>Measurement by peer review and survey.</p> <p>The Board should continue to work towards achievement of these objectives with a survey of success later in the year.</p>
<p>Public vs Private meetings</p> <p>NHSBT adopts the principle that all agenda items should be made public unless there is 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. Suggestions include:</p> <ul style="list-style-type: none"> • Understanding what the public finds useful • Improving discussion and challenge within public meetings • Reducing the size of Board packs ensuring papers are concise and focussed to support effective challenge and oversight 	<p>NHSBT is required by law to hold its meetings in public except where matters to be discussed are confidential in nature or publicity would be prejudicial to the public interest. There is ongoing commitment that all items should be included in the public board sessions unless this is inappropriate.</p> <p>The intent is that both public and private board meetings be conducted in the same manner (i.e. with good, constructive challenge and discussion). Following the coaching session held with the non-executive directors in January 2025 the level of challenge and debate within public Board improved. Forward sight of questions that may require researched answers helps ensure a full debate can be held in the meeting.</p> <p>Holding board meetings in public is related to transparency rather than stakeholder engagement. There are more effective ways to engage stakeholders that are being progressed and new forms of engagement considered.</p> <p>Consideration could be given to enabling remote attendance by members of the public or interested parties, given our national remit.</p>