

Council of Governors Meeting - 15th August 2018

Purpose of This Paper

Further to discussion at the Governors' Forum held on 31st July 2018 this paper sets out to:

1. Seek the views of Governors concerning their current level of satisfaction with their involvement and understanding of the governance of the Trust.
2. Seek to ascertain, through discussion at the meeting, whether Governors consider that they are fully up to date with the strategic direction and progress with this
3. Ask Governors if reinstatement of the Governors' Committees would improve delivery of their responsibilities.

It is stressed that Governors have no operational responsibilities but in order to carry out their duties of holding the Non-Executive Directors to account they should be apprised of the Trust's performance against the conditions of its authorisation, licences, its statutory obligations and the development and progress with strategic plans.

Reminder: *The primary role of a Governor is to hold the non-executive directors, individually and collectively, to account for the performance of the board of directors [See Appendix].*

Committee Structure prior to their temporary suspension in November 2017

Council of Governors nomination and remuneration committee

The primary purpose of the Committee is to satisfy itself that proper procedures are in place for the recruitment of Non-Executive Directors (NEDs), to participate in the recruitment of NEDs, to recommend to the CoG the appointment of the Chair and NEDs, to recommend to the CoG the terms of appointment and appropriate remuneration of the Chair and NEDs, and to receive reports on the Chair and NEDs' collective performance as part of the Board of Directors.

Council of Governors Governance and Strategy Committee

The primary purpose of the Committee is to report assurance to CoG that the trust is meeting its performance against the terms of its authorisation as a Foundation Trust and highlight any areas of concern, including constitutional issues to the Council of Governors. The key areas of focus include financial, activity, access and workforce performance. In addition, this committee can be consulted on the development of forward plans for the trust and report to CoG any significant changes to the delivery of the trust's business plan.

The forward plan incorporates both operational and strategic information. This committee can give assurance to the Council of Governors that the interests of members of the trust, and of the public, are considered when the trust proposes strategic developments

Council of Governors Safety & Experience Committee

The primary purpose of the Committee is to be assured with regard to Trust delivery of quality services as measured through patient safety, and on staff and carer experience, in order to give assurance to the Council of Governors that the activities undertaken to assure clinical quality of care and experience delivery by the Trust are effective and efficient to achieve the Trust's objectives.

Council of Governors Community Engagement Committee

The primary purpose of the Committee is to give assurance that the activities undertaken to develop the membership of the Trust are effective and efficient in order to achieve the Trust's overall objectives and to ensure adequate engagement of Governors with their constituents and feedback from these to inform the Trust's Annual Planning.

Conclusion

CoG is asked to:

To assess Governors' current level of satisfaction with their involvement and understanding of the governance of the Trust.

To assess whether Governors consider that they are fully up to date with the strategic direction and progress with this

To conclude if reinstatement of the Governors' Committees would improve delivery of their responsibilities.

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Public Governor

5th August 2018

Appendix

Hold the non-executive directors, individually and collectively, to account for the performance of the board of directors

Key Principles
1. The overall responsibility for running an NHS foundation trust lies with the board of directors
2. The council of governors is the collective body through which the directors explain and justify their actions, and the council should not seek to become involved in running the trust.
3. Governors must act in the best interests of the NHS foundation trust and should adhere to its values and code of conduct
4. Directors are responsible and accountable for the performance of the foundation trust; governors do not take on this responsibility or accountability. This is reflected in the fact that directors are paid while governors are volunteers.
Undertaking the statutory duties
<ul style="list-style-type: none">● Governors are responsible for appointing the chair and other non-executive directors and may also remove them in the event of unsatisfactory performance
<ul style="list-style-type: none">● Governors have the power to appoint or remove the auditor
<ul style="list-style-type: none">● Directors must take account of governors' views when setting the strategy for the trust, giving governors the opportunity to feed in the views of trust members and the public and to question the non-executive director if these views do not appear to be reflected in the strategy. However, governors should understand there may be valid reasons why member views cannot always be acted upon. Governors and non-executive directors should have enough time to discuss these matters so governors can be satisfied with board decision-making processes
<ul style="list-style-type: none">● Governors have the right to receive the annual report and accounts of the trust, and can use these as the basis for their questioning of non-executive directors and assessing the performance of the board in terms of the delivery of the trust's goals against the forward plan.
Governors may also find it helpful to undertake some of the following activities
To hold the non-executives individually to account:
<ul style="list-style-type: none">● Receive performance information for the chair and other non-executive directors as part of a rigorous performance appraisal process as well as to inform decision on remuneration terms for the chair and the other non-executive directors.
<ul style="list-style-type: none">● Observe the contributions of the non-executive directors at board meetings and during meetings with governors
To hold the non-executive directors collectively to account:
<ul style="list-style-type: none">● Receive the quality report and accounts and question the non-executives on their content. Ask about the CQC's judgements on the quality of care provided by the trust.
<ul style="list-style-type: none">● Receive in your information updates from the board of directors and question the non-executives on their content, including the performance of the trust against the goals of the forward plan
<ul style="list-style-type: none">● Invite the chief executive or other executive and non-executive director to attend

council of governors meetings as appropriate and use these opportunities to ask them questions
<ul style="list-style-type: none"> Engage with the non-executive directors to share concerns, such as by way of joint meeting between the council of governors and non-executive directors
<ul style="list-style-type: none"> Receiving information on proposed significant transactions, mergers, acquisition, separations or dissolutions and question the non-executives on the board's decision-making processes, and then, if satisfied approve the proposal

Representing the interests of trust members and the public

Key principles
1. Governors should seek the views of members and the public on material issues or changes being discussed by the trust.
2. Governors should feedback to members and the public information about the trust, its vision, performance and material strategic proposals made by the trust board.
3. Governors should try to make sure when they are communicating with director of the trust that they represent the interests of members and the public rather than just their own personal views.
Possible methods for governors to seek the views of members and the public and feed information back to them
Governor drop-in days where members and the public can come in to meet with governors
A governors' and members section of the trust website to share information
Member days where members and the public are invited to the trust for a day and governors take time to speak to them
Surveys of members (with help provided from the trust to administer where necessary)

Receiving the NHS foundation trust's annual accounts, any auditor's report on them and the annual report

The annual report and any auditors' report on the accounts must be presented at a meeting of the council of governors. The Annual Reporting Manual indicates this will be the annual general meeting.

This meeting should be convened within a reasonable period from the end of the financial year in question but not before the annual report and accounts have been laid before Parliament.

What does 'presented to the council of governors' mean?

One of the directors presents the documents listed above to the council of governors to inform them about the trusts performance. Governors then have an opportunity to comment on the documents but cannot make changes to them.

The council of governors must understand the information in these documents, for example, on the performance of the chair or the other non-executive directors. This is will ensure it has fulfilled its statutory duties, for instance to provide informed feedback to the board of directors and to inform external stakeholders (including any that they

represent) on how the trust is performing. Governors should be permitted to ask additional questions on the trust performance as appropriate.

The governors will base their own views of how the trust is performing on the performance information in the annual report and accounts and the response to their subsequent questions, making their understanding of those documents an essential part of how governors collectively can hold the board of directors and specifically the non-executive directors, to account.

Preparing the forward plan

The Code of Governance states that governors can 'expect to be consulted on the development of forward plans for the trust and any significant changes to the delivery of the trust's business plan'.

The forward plan incorporates both operational and strategic information. The council of governors' role is to ensure that the interests of members of the trust, and of the public, are considered when the trust proposes strategic developments.

1. **Canvassing the opinions of members and of the public:**
Governors should seek to canvass the opinions of members and of the public and, for appointed governors, the body they represent), to make sure a range of opinions inform the planning process. They might do this by for example, holding constituency meetings or open days, putting questionnaires on the trust website, or simply by talking to staff and the public throughout the year to understand what they would like to see the trust achieve in the future.
2. **Discussing planning priorities with the board of directors:**
Governors must feedback the views of members of the trust and of the public, to the board of directors.
3. **Involving governors in strategic development plans:**
After the board of directors has approved a specific initiative and incorporated it into the trust's forward plan, governors should be kept informed of progress with implementation to make sure that the interests of members of the trust and of the public continue to be represented.

To be clear, this does not mean involving governors in the operational planning of each initiative developed by the trust, rather that the views of the governors and considerations of members and of the public are discussed by the board when undertaking such planning.