

EXECUTIVE SUMMARYREPORT TO THE COUNCIL OF GOVERNORS20<sup>TH</sup> NOVEMBER 2012

<b>Subject</b>	Trust Constitution Review
<b>Supporting TEG Member</b>	Neil Riley, Trust Secretary
<b>Author</b>	Andy Challands, Assurance Manager
<b>Status<sup>1</sup></b>	A

**PURPOSE OF THE REPORT**

To update Governors on progress with the constitution review and seek approval for v2.0 of the constitution to ensure ongoing compliance with provisions of the 2012 Health and Social Care Act.

**KEY POINTS**

- In July 2012 TEG and the Board approved proposals to undertake a thorough review and a timetabled programme of phased re-drafts of the Trust's constitution. A paper outlining the proposals went to the Governors Council and was supported.
- The Trust Constitution Review Steering Group (TCRSG), a joint task-and-finish committee of the Board and the Council of Governors, has been set up to provide oversight of the review process and to approve all re-drafts of the Constitution and relevant complementary documents prior to approval by the Council of Governors and Board of Directors.
- The TCRSG has met twice and taken the following key decisions:
  - In response to guidance issued by Monitor, the group approved a change to the work programme in order to timetable the work over 3 phases rather than 2. i.e.
    - To review and redraft the current constitution to ensure compliance with provisions of the Health and Social Care Act that came into force from 1<sup>st</sup> October 2012 under Commencement Order 2. This will be known as Version 2.
    - To review and redraft Version 2 to ensure ongoing compliance with the Health and Social Care Act using Monitor's Model Core Constitution. This will be known as Version 3. In addition, to review and develop a library of complementary policies and procedures using corporate governance best practice guidance. It is planned to complete this phase in early 2013.
    - To review and redraft Version 3 to ensure compliance with further provisions of the Health and Social Care Act as they are introduced by subsequent commencement orders. This will be known as Version 4 and is expected to be completed sometime from April 2013.
  - TCRSG approved Version 2 of the Constitution (attached) to ensure compliance with provisions enacted under Commencement Order 2 of the 2012 Health and Social Care Act. The main areas of change are:
    - redefining the *Principal Purpose* using recommended wording prescribed by Monitor
    - renaming the *Governors Council* to the *Council of Governors*
    - updating the *Accounts* section and *Annual report, forward plans and non-NHS work* sections using recommended wording prescribed by Monitor
 (For information, a log of the amendments made has also been attached.)
  - The group requested DAC Beachcrofts independently review Version 2 as assurance for the Council of Governors and the Board of Directors. This has been completed and the constitution updated accordingly.

- Version 2 is scheduled to go to the Board of Directors meeting on 20 November for approval prior to submission to Monitor for final approval.
- Whilst the issue of freedom to generate non-NHS income up to a maximum of 49% of total income is a sensitive matter which will be debated further by the Board and Council of Governors in the context of commercial opportunities available to the Trust, the changes to the constitution are a technical requirement to ensure the Trust is compliant with the Health and Social Care Act. In respect of this wider discussion, these changes can be seen as neutral.

## IMPLICATIONS

AIM OF THE STHFT CORPORATE STRATEGY 2012-2017		TICK AS APPROPRIATE
1	Deliver the Best Clinical Outcomes	X
2	Provide Patient Centred Services	X
3	Employ Caring and Cared for Staff	X
4	Spend Public Money Wisely	X
5	Deliver Excellent Research, Education & Innovation	X

## RECOMMENDATIONS

TEG is asked to **NOTE** progress with the project and changes to the programme to review and update the Constitution and to **APPROVE** Version 2 of the Trust Constitution.

## APPROVAL PROCESS

Meeting	Date	Approved Y/N
Trust Constitution Review Steering Group	25/10/12	A
Trust Executive Group	07/11/12	A

<sup>1</sup> Status: A = Approval  
A\* = Approval & Requiring Board Approval  
D = Debate  
N = Note