

EXECUTIVE SUMMARYREPORT TO THE COUNCIL OF GOVERNORS25 SEPTEMBER 2018

Subject	Terms of Reference for Council of Governors
Supporting TEG Member	Sandi Carman, Assistant Chief Executive
Author	Jane Pellegrina, Membership Manager
Status	For Approval

PURPOSE OF THE REPORT

To seek the Council of Governors' approval for the updated Terms of Reference for the Council of Governors.

KEY POINTS

- The review of the Terms of Reference for the Council of Governors has been completed by the Assistant Chief Executive and the Membership Manager.
- The following changes have been made:
 - Reference to the Terms of Authorisation has been changed to Terms of Provider Licence throughout
 - Reference to the Forward Plan has been changed to Operational Plan
 - Paragraph 2. sub-headings have been changed
 - Paragraph 2.2 reference to Annex 6 of the Constitution has been changed to Annex 8
 - Paragraph 2.2 reference to Annex 9 of the Constitution has been changed to Annex 10
 - Paragraph 2.3 added "Hold the Non-Executive Directors individually and collectively to account for the performance of the Board"
 - Paragraph 2.4 added "To represent the interests of Trust members and members of the public"
 - Paragraph 2.6 – added "Be equipped by the Trust with the skills and knowledge they require in their capacity as Governors."
 - Paragraph 5 membership recorded by designation rather than named individuals. Designations updated
 - Sub-paragraph Chair added "Annex 7"
 - The updated Terms of Reference showing track changes was circulated to all Governors for review at the Governors' Forum Meeting on 6-9-18. The Terms of Reference as circulated and amended were agreed at that Meeting.

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

The Council of Governors is asked to **APPROVE** the updated Terms of Reference for the Council of Governors.



TERMS OF REFERENCE

COUNCIL OF GOVERNORS

1. PURPOSE

In accordance with Paragraph 13 of the Constitution, the Trust has a Council of Governors who are elected by members of the Trust or appointed by partner organisations.

The purpose of the Council of Governors is to:

- o hold the Board of Directors to account for the performance of the Trust.
- o represent the interests of the members and nominated partner stakeholders.

(Note: The role of the Council of Governors is derived from the National Health Service Act 2006; and the Health and Social Care Act 2012; Monitor's *NHS Foundation Trust Code of Governance*.)

2. DUTIES/RESPONSIBILITIES

2.1 General

- o To act at all times in the best interests of the Trust and in accordance with the Provider Licence, the Constitution and the Governors' Code of Conduct.
- o To promote the achievement of the Trust's objectives within its Provider Licence and of its Principal Purpose as set out in the Constitution.
- o To approve the policies and procedures for the appointment, re-appointment removal, appraisal and remuneration of the Chairman of the Board of Directors and Non-Executive Directors on the recommendation of the Council of Governors' Nominations and Remuneration Committee.
- o To approve the appointment or re-appointment of the Chairman and Non-Executive Directors of the Board of Directors on the recommendation of the Council of Governors' Nominations and Remuneration Committee and having taken into account the views of the Board of Directors on the qualifications, skills and experience required for each position as Non-Executive Director.
- o To approve the removal of the Chairman or a Non-Executive Director of the Board of Directors on the recommendation of the Council of Governors' Nominations and Remuneration Committee, providing that the Council of Governors has first exhausted all other means of resolving the matter at issue in accordance with Monitor's *Code of Governance*.
- o To approve the remuneration, allowances and other terms of office on appointment and any changes thereafter for the Chairman and Non-Executive Directors of the Board of Directors on the recommendation of the Council of Governors' Nominations and Remuneration Committee.

- o To approve the appointment of the Chief Executive recommended by the Non-Executive Directors.
- o To approve the criteria for appointing, re-appointing and removing the Auditor on the recommendation of the Audit Committee.
- o To appoint, re-appoint and or remove the Auditor and to approve the terms of engagement of the auditor on the recommendation of the Audit Committee.
- o To receive the Annual Accounts, any report of the Auditor on the Annual Accounts and the Annual Report, including the Quality Report.
- o To receive and consider updates on the Trust's strategic direction and act as a critical friend in providing feedback to the Board of Directors on the development of the Trust's Operational Plan.
- o To consider any proposal in the Operational Plan to carry on non-NHS activity, as defined in the Constitution, and to be satisfied that such proposals will not interfere with the Trust's principal purpose or the performance of its other functions and to notify the Board of Directors of the Council of Governors' opinion.
- o To approve any proposal to increase non-NHS income by 5% or more in any financial year.

2.2 Constitution

- o To approve any amendment to the Trust's Constitution on the recommendation of the Board of Directors.
- o To approve the removal from office of a Governor in accordance with the procedure outlined in Annex 8 of the Constitution.
- o To approve the expulsion of a member of the Trust in accordance with the procedure outlined in Annex 10 of the Constitution.
- o With the support of the Assistant Chief Executive to convene an Annual Members' Meeting and to present an Annual Report to members, in accordance with Annex 4 of the Constitution.
- o In collaboration with the Board of Directors, to approve and routinely review the procedure for the resolution of disputes between the Board of Directors and the Council of Governors as outlined in Annex 11 of the Constitution.

2.3 Holding the Board of Directors to Account

- o To receive the agenda and minutes of the meetings of the Board of Directors.
- o To develop and maintain good working relationships with the Board of Directors by meeting regularly and with sufficient frequency to establish appropriate channels of communication and constructive challenge.
- o Hold the Non-Executive Directors individually and collectively to account for the performance of the Board.
- o In addition to statutory duties, to receive and comment on reports by the Board of Directors on the performance of the Trust against agreed financial, operational, quality

and regulatory compliance indicators and on progress against key milestones in the strategic and annual plans.

2.4 Membership Engagement

- o To represent the interests of Trust members and members of the public.
- o To approve the membership engagement strategy.
- o To promote membership of the Trust and contribute to opportunities to recruit members in accordance with the membership strategy.
- o Contribute to members' and other stakeholders' understanding of the work of the Trust by feeding back and seeking the views of the relevant member constituencies and partner organisations who appoint Governors.
- o To act as ambassadors in order to raise the profile of the Trust's work with the public and other stakeholders.
- o To attend relevant Trust events that facilitate contact between members, the public and Governors to promote governor accountability.
- o To seek the views of the public, members and stakeholders and feedback relevant information to the Board of Directors or to individual managers within the Trust, as appropriate.

2.5 Compliance

- o To ensure the Trust complies with its Provider Licence, the Constitution and any other applicable legislation and regulation.
- o To engage with the Board of Directors as a critical friend if the Council of Governors has concerns about the Trust's compliance with its Provider Licence, the Constitution and any other applicable legislation and regulation.
- o To inform Monitor, via the Lead Governor, when the Trust's Terms of Authorisation, Constitution and any other applicable legislation and regulation is not complied with and the Directors have failed to address non-compliance.

2.6 Other Duties and Responsibilities

- o To approve the allocation of members to committees or working groups of the Council of Governors and approve or ratify governor representatives on any Trust group or committee by invitation.
- o To approve the comments or contributions of the Council of Governors, its committees or any working groups on Trust strategies, plans, policies and procedures, as appropriate.
- o Contribute to the development of the Annual Report and Accounts, including the Quality Report, as appropriate.
- o Participate in opportunities to review services and environments such as Patient-Led Inspections of the Care Environment; quality reviews; local evaluations of the user/carer experience etc.

- o To approve the appointment of the Lead Governor and the Vice Chairman of the Council of Governors' Nominations and Remuneration Committee, following an open election.
- o Be equipped by the Trust with the skills and knowledge they require in their capacity as Governors.

3. **ACCOUNTABLE TO**

The Council of Governors represents the interests of and is accountable to the membership of the Trust

(Note: The Council of Governors has a broader duty to represent the interests of the general public in the area served by the Trust.)

4. **REPORTS TO AND METHOD (INCLUDING MINUTES CIRCULATION)**

The Council of Governors reports to the membership of the Trust.

The Council of Governors meet in public and the agenda, papers and minutes for all the meetings are posted on the Trust's website.

A report on the work of the Council of Governors shall be given at the Annual Members' Meeting.

5. **MEMBERSHIP**

➤ Members

DESIGNATION	CHAIR
Chairman of the Board of Directors	Chairman
Public Governor (Sheffield North)	
Public Governor (Sheffield North)	
Public Governor (Sheffield North)	
Public Governor (Sheffield South West)	
Public Governor (Sheffield South West)	
Public Governor (Sheffield South West)	
Public Governor (Sheffield West)	
Public Governor (Sheffield West)	
Public Governor (Sheffield West)	
Public Governor (Sheffield South East)	
Public Governor (Sheffield South East)	
Public Governor (Sheffield South East)	
Public Governor (Outside of Sheffield)	
Patient Governor	
Patient Governor	
Patient Governor	
Patient Governor	
Patient Governor	
Patient Governor	
Patient Governor	
Staff Governor (Medical and Dental)	
Staff Governor (Nursing and Midwifery)	
Staff Governor (Allied Health Professionals, Scientists and Technicians)	
Staff Governor (Ancillary, Works and Maintenance)	
Staff Governor (Administration, Management and Clerical)	

Staff Governor (Primary and Community Services)	
Appointed Governor (NHS Sheffield Clinical Commissioning Group)	
Appointed Governor (University of Sheffield)	
Appointed Governor (Sheffield Hallam University)	
Appointed Governor (Sheffield City Council)	
Appointed Governor (Sheffield City Council)	
Appointed Governor (Sheffield College)	
Appointed Governor (Voluntary Action Sheffield)	

➤ Chair

The Council of Governors will normally be chaired by the Chairman of the Board of Directors. Provision for chairing the meeting if the Chairman is absent from the meeting or is temporarily absent on the grounds of a declared conflict of interest are set out in Paragraph 4.6 of Annex 7 of the Constitution.

➤ Standing invitation

DESIGNATION
All Non-Executive Directors
Chief Executive
Deputy Chief Executive
Director of Finance
Chief Nurse
Medical Director
Director of Human Resources and Staff Development
Director of Strategy and Planning
Assistant Chief Executive
Communications and Marketing Director

➤ In attendance

DESIGNATION
Foundation Trust Membership Office Manager

(Note: Trust Members and members of the public are invited to attend.)

➤ Serviced by

DESIGNATION
Assistant Chief Executive
Business Manager, Board of Directors

6. QUORUM

One-third of the Governors which must include at least 5 Public Governors, 1 Patient Governor and 1 Staff Governor.

7. MEETING FREQUENCY AND PROCEDURES (MINIMUM IF APPLICABLE)

At least 4 meetings held in any one Financial Year including an Annual Members' Meeting

8. DATE TERMS OF REFERENCE WERE LAST APPROVED

1 September 2015, Council of Governors meeting

9. **REVIEW DATE**

September 2018

(Note: These Terms of Reference shall be reviewed annually)

10. **PROCESS FOR REVIEWING EFFECTIVENESS**

With the support of the Assistant Chief Executive, the Council of Governors will carry out an annual review of its work including the effectiveness and efficiency in the discharge of its responsibilities, its success in meeting the objectives of its membership strategy and a record of Governor attendance at meetings. The outcome of the review shall be reported to the Annual Members' Meeting.

11. **REPORTING STRUCTURE**

Council of Governors' Nominations and Remuneration Committee

Governors' Forum

Such other groups/committees as required from time to time

Task and finish working groups as necessary



COUNCIL OF GOVERNORS PROCESS FOR APPOINTING THE NOMINATED LEAD GOVERNOR

1. Context

The Monitor* NHS Foundation Trust Code of Governance (July 2014) sets out the requirement for Trusts to appoint a Lead Governor. A description of the role as adopted by Sheffield Teaching Hospitals is attached and can be found as appendix 1 of the Terms of Reference of the Council of Governors.

An outline of the process for the appointment of the Lead Governor was as originally approved by the Council of Governors at meeting on 20 November 2012.

2. Appointment Process

When a vacancy occurs the Chair will inform all governors of the vacancy and invite expressions of interest in the role. Governors interested in taking up the role should, in the first instance, discuss their intentions with the Chair. In the event that a number of governors express an interest, a ballot amongst governors will be held and each candidate will be invited to submit a short statement supporting their application to take up the role.

3. Process following Selection of the Lead Governor

The Chair will

- Report the outcome of the ballot to the Council of Governors
- Write to the governor confirming their appointment as Lead Governor

The Assistant Chief Executive will:

- Notify NHS Improvement of the appointment

* Now NHS Improvement



The Role of the Nominated Lead Governor

The lead governor has a role to play in facilitating direct communication between NHS Improvement (NHSI) and the Trust's Council of Governors. This contact is likely to be infrequent and will occur in a limited number of circumstances but particularly where it may not be appropriate for NHSI to communicate through the normal channels, which in most cases would be via the Trust Chair or the Trust Secretary.

It is not anticipated that there will be regular direct contact between NHSI and the Council of Governors in the ordinary course of businesses. Where contact is necessary it is important that it happens quickly and effectively. To this end a lead governor should be nominated and contact details provided to NHSI. The lead governor may be nominated from any of the governors.

The main circumstances where NHSI will contact the lead governor are where NHSI has concerns as to Board leadership provided to a Foundation Trust and those concerns may in time lead to the use by NHSI of its formal power to remove the Chair or Non-Executive Directors and it will usually be the case that NHSI will wish to understand the views of the governors as to the capacity and capability of these individuals to lead the Trust and to rectify successfully any issues and also for the governors to understand NHSI's concerns.

NHSI does not envisage direct communication with the governors until such time as there is a real risk that the Trust may be in significant breach of its licence. Once there is a risk that this may be the case, and the likely issue is one of Board leadership, NHSI will often wish to have direct contact with the Trust governors but at speed and through one established point of contact, the Trust's nominated lead governor. The Trust should support the lead governor in understanding of NHSI's role, particularly the basis on which NHSI may take regulatory action, to ensure the lead governor is able to correctly communicate more widely with other governors.

Similarly, where individual governors may wish to contact NHSI, this would be expected to be through the lead governor.

The other circumstance where NHSI may wish to contact the lead governor is where, as the regulator, NHSI has been made aware that the process for the appointment of the Chair or other members of the Board, or elections for governors, or other material decisions, may not have complied with the Trust's Constitution, or alternatively, whilst complying with the Trust's Constitution, may be inappropriate. In such circumstances, where the Chair, other member of the Board of Directors or the Trust Secretary may have been involved in the process by which these appointments or other decisions were made, the lead governor may provide the point of contact for NHSI.

At Sheffield Teaching Hospitals the role of lead governor has developed since the role's inception in 2008 and in addition to the duties set out above now also includes the following:

- With the Convenor of the Governors' Forum meets informally with the Chair and Assistant Chief Executive between four and six times per year.
- Where appropriate, supports the Chair in ensuring that governors act within the STH Governors' Code of Conduct. This is an infrequent duty but one which may arise should individual cases of misconduct occur.

