

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE SUMMARY

REPORT TO THE BOARD OF DIRECTORS

21ST NOVEMBER 2012

Subject	Trust Constitution Review
Supporting TEG Member	Neil Riley, Trust Secretary
Author	Andy Challands, Assurance Manager
Status¹	A

PURPOSE OF THE REPORT

To update the Board of Directors 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 1st 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.

- 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

The Board of Directors 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, prior to submission to Monitor for final approval.

APPROVAL PROCESS

Meeting	Date	Approved Y/N
Trust Constitution Review Steering Group	25/10/12	A
Trust Executive Group	07/11/12	A
Council of Governors	20/11/12	tbc

¹ Status: A = Approval
 A* = Approval & Requiring Board Approval
 D = Debate
 N = Note