

CAMBRIDGE UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

Minutes of the meeting of the **GOVERNORS' CONSTITUTION COMMITTEE/ GOVERNOR EFFECTIVENESS REVIEW GROUP** held on Friday 12 June 2009 in Committee Room 1, Addenbrooke's Hospital.

PRESENT: Dr M Davies (Chairman)
Dr S Bullivant
Brig R Cockman
Mrs J Ewer
Mr C Greenhalgh
Mr J O'Sullivan
Mr E Revell

IN ATTENDANCE: Dr A Alderton (Trust Secretary)
Mrs H McGhee
Mrs S Rees

Apologies were recorded from Mr Tony Roberts.

01/09 MINUTES OF THE MEETING 17 NOVEMBER 2008

With a minor spelling correction (28/08 (i)) to refer to 'term of office' the minutes of the meeting held on 17 November were confirmed.

02/09 MATTERS ARISING FROM THE MINUTES

Dr Alderton would ensure that the up-to-date Governors' 'Who's Who' was available on the public website.

03/09 CHAIRMAN'S REAPPOINTMENT – REVIEW OF PROCESS

Received Chairman's reappointment – review of process.

Dr Alderton reported.

Noted

- (i) When Chairmen served for a long period of time it was considered that this could affect their independence. It was important that the relationship between Chairman and CEO continued to evidence challenge.
- (ii) The decision to reappoint would continue to rest entirely with the Board of Governors.

Agreed.

The proposal before the Committee, that the policy for reappointment of the Chairman state that requirements for competition might be waived if (governors) considered this to be in the best interests of the Trust was agreed, and this would be recommended to the Board of Governors' meeting on 2 July.

Action: Dr Alderton

04/09 REVIEW OF THE TRUST'S CONSTITUTION

Received Proposed changes to the Trust's Constitution

Dr Alderton reported.

Noted.

- (i) The proposal to allow governors to serve as governors of other Foundation Trusts was discussed. This was seen as advantageous, in an era of increased cooperation between different health providers.
- (ii) The total years for which a governor could serve was discussed. At present after a break in service a governor could serve for a further nine years. The possibility of specifying three terms or nine years, whichever was the longer, was considered. There was consensus that nine years was long enough, however members wished to avoid the possibility of governors first elected when the Foundation Trust was established all retiring at the same time. To avoid this, the suggestion was for the maximum term of office to be nine years plus a starter term.
- (iii) Members asked the Trust Secretary to review the standing orders of the Board of Governors' dealing with conflicts of interest. It was important that no conflicts of interest either direct or indirect be permitted, and that employment by and shareholding in other bodies be included.

Agreed

- (i) Clause 8.10 to be amended to allow governors to serve for up to nine years in total, or three elected terms, plus a starter term.
- (ii) Clause 8.10 to continue to allow governors with a break in service of not less than one year to serve for for a further period of up to nine years
- (iii) Nominating bodies for appointed governors would be consulted by the Trust Secretary on whether they would be content to have the same terms of office as elected governors.

Action: Dr Alderton

- (iv) The Constitution to be amended to allow governors to also be governors of other Foundation Trusts. They would continue to be required to declare conflicts of interest. The proposed clause to replace 8.12.1 (h) was agreed.

Action: Dr Alderton

- (v) Dr Alderton would circulate members with the current version of clauses 8.10.8 and 8.10.10 and receive their views by correspondence on the proposed amendments.

Action: Dr Alderton/members

- (vi) The Deputy Chairman would take over the chair in the Chairman's absence and clause 8.17.1 would be amended to reflect this.
- (vii) Governors and Directors expenses reimbursement rates would be published in the Annual Report.
- (viii) Clause 8.19.2 on conflict of interest to be amended to refer to 'interests **to be regarded as relevant and material would include but are not limited to** etc.' Dr Alderton to review the standing orders.

Action: Dr Alderton

- (ix) The above changes to be recommended to the 2 July meeting of the Board of Governors.

Action: Dr Alderton

05/09 NED REMUNERATION – REVIEW OF POLICY

Received: NED remuneration – review of policy

Dr Alderton reported. The Committee received the views of Colin Greenhalgh, as Senior Independent Director, who then absented himself from the discussion.

Noted

- (i) This Committee would deal with the policy. The Governors' Nomination and Remuneration Committee would deal with other issues such as communication with the NEDs and this was understood to be in hand.
- (ii) For 2009/10 the policy requiring remuneration to be no greater than or less than the cost of living increases applied to the NHS as a whole had not been applied. It was noted that there were different rates being applied to different groups of staff in the NHS.
- (iii) It was suggested the first sentence be amended to read: 'Remuneration should be reviewed annually for cost of living adjustments, **which should be no greater than** the largest of any cost of living increases applied to the NHS as a whole', removing reference to a lower figure.

Agreed

This would be proposed to a closed meeting of the Board of Governors, subject to review by the Governors' Nomination and Remuneration Committee. Dr Alderton would also consult Colin Greenhalgh and report feedback to the Governors' Nomination and Remuneration Committee.

Action: Dr Alderton for September meeting.

06/09 GUIDE FOR NHS FOUNDATION TRUST GOVERNORS – MONITOR CONSULTATION

Received: Monitor publication: Guide for NHS foundation trust governors: meeting your statutory responsibilities.

Noted

This publication was out to consultation until 13 July 2009 and that the Trust would be issuing a collated response.

Agreed

- (i) To circulate the report to all Governors, inviting comments to be returned to Ann Alderton by 3 July 2009 for inclusion in a collated Trust response;
- (ii) New Governors in particular would be invited to look at it from the perspective of whether it provided them with a good insight into Governors' responsibilities.

Action: Dr Alderton (end June 2009)

07/09 BOARD EFFECTIVENESS REVIEW

Received: Position statement on the Board Effectiveness Review and copy of a draft report by Independent Audit.

Dr Alderton reported.

Noted

- (i) The review by Independent Audit Ltd was still in progress. The draft report was due to be discussed by the Board of Directors at an away-day on 22 June.
- (ii) In response to questions by the Governors, it was confirmed that the effectiveness review had been useful and that members of the Board of Directors recognised the issues identified in the report.
- (iii) The structure of the report was thought to be helpful in that it identified the issues and the potential solutions to address them.
- (iv) Members of the committee welcomed the report and the seriousness with which the Board of Directors was addressing the issues raised.
- (v) Members asked how the Board of Governors could be assured that the Board of Directors implemented the necessary changes to achieve the goal of being the best Board that it could be. Suggestions from the members included participation in the away-day by the Chairmen of the Governor/Director working groups and a re-consideration of whether governors should be invited to attend Board of Directors' meetings. The Trust Secretary advised that the former would not be feasible as the Board of Directors needed to work with its members first to identify the solutions to the issues identified.
- (vi) A better understanding of the role of the Non-Executive Director was required.
- (vii) Communication from the Board of Directors with staff and with governors was felt to be an important issue for the Board of Directors to consider.
- (viii) On the basis of the report on the Board of Directors, the committee felt confident that the forthcoming Board of Governors' effectiveness review by Independent Audit Ltd would be of value to the Trust.

Agreed

- (i) The paper by the Senior Independent Director to the Governors Nomination and Remuneration committee on the roles and responsibilities of the NED would be circulated to all Governors for information;
- (ii) To convey the question to the Board of Directors as to how they would report back to the Board of Governors on the success and impact of changes introduced as a result of this Review.
- (iii) To ask the Board of Directors to re-consider whether Governors should be invited to attend meetings of the Board of Directors;
- (iv) To report the outcome of the away-day to the 2 July Board of Governors' meeting;
Action: Dr Alderton (immediate)
- (v) To share the scope and objectives of the Board of Governors' effectiveness review by Independent Audit Ltd with the committee at a future meeting.
Action: Dr Alderton (next meeting)

08/09 GOVERNOR/ DIRECTOR WORKING GROUPS

Received: Governor/ Director working groups terms of reference.

Dr Alderton reported.

Noted

- (i) The Terms of Reference for the working groups was due for a review in September 2009.
- (ii) The Forward Planning Governor/Director working group had considered the Terms of Reference at their previous meeting. Dr Bullivant shared the results of that review with the committee showing track changes from the earlier version.

- (iii) The Forward Planning Group had wanted to include the following section which was specific to its responsibilities: Section 3.7 "To review and monitor the annual plan". The committee suggested that it should be replaced with the following Section 3.7 to keep it as generic as possible "Specific responsibilities will be assigned to individual working groups". These could be picked up in specific annexes, which could be amended from time to time without affecting the terms of reference.
- (iv) The Governance and Assurance working group had reviewed the Terms of Reference last year and had nothing to add.
- (v) The Membership and PPI working group had reviewed the Terms of Reference more recently and had nothing to add.
- (vi) The Forward Planning working group had identified a specific issue with regard to 5.8 "The meeting will be quorate if the Chairman (or Vice Chairman), permanent Director member or nominated deputy, permanent Non-executive Director member or nominated deputy as well as two further governors are present". There was no nominated deputy for the Forward Planning NED which had resulted in the meeting going ahead without a quorum. This was considered important as the core purpose of the meeting (to provide a mechanism for joint working between the Board of Governors, Executive and Non-Executive Directors on key areas of the Trust's work) would not be fulfilled without a NED present. Also, it was useful to have the view of an independent Director with an external perspective on things. However, if a formal decision was not being taken, a quorum was not essential.
- (vii) With regard to the process for election of Chairman and Vice-Chairman, a change was recommended which would give core members the option to put their names forward for either Chairman or Vice-Chairman or both. This recognised the fact that some members would not want the responsibility for chairing the meeting, but would be happy to step in as Vice-Chairman if required.

Agreed

- (i) The committee supported the suggested changes of the Forward Planning group, with the following additions:
 - Section 1.1 ...joint working and consultation with the Board of Governors etc.
 - Section 1.4 to read "instigate" not "investigate"
 - Section 2.1 to read "The purpose of the groups will be for the Director and lead non-executive Director working in partnership with the Governors to inform Governors of relevant work programmes and to afford Governors the chance to scrutinise, review and influence the work from a strategic perspective in specific areas on behalf of the Board of Governors"
 - Section 5.6 to replace "all governors" with "the Board of Governors".
 - Section 3.7 "Specific responsibilities will be assigned to individual working groups".
- (ii) To feed back to the Executive and NEDs the importance of representation at the working groups, making it clear that attendance by a representative is expected
- (iii) It was confirmed, in connection with the appointment of a Chairman that they could be re-appointed after a two year term and that the election process would allow for a separate election to Chairman and Vice-Chairman from now on.
- (iv) To invite Independent Audit Ltd in their forthcoming review of the Board of Governors to consider reviewing the status and effectiveness of the Governor Director Working Groups.

09/09 ANNUAL GENERAL MEETING – NEW FORMAT PROPOSAL

Received: Annual General Meeting – new format proposal

Mrs Murphy, Director of Communications, reported.

Noted

- (i) Only twenty members of the public had attended the last AGM, which had cost £7000. The proposal was that on alternate years the AGM business should form part of the September Board of Governors' meeting which was in any case open to the public, and would be well publicised. The following year, the AGM would be held on the Trust Open Day which would be moved to September.
- (ii) Those who regularly attended the 'Medicine for Members' lectures could be specifically invited to attend.
- (iii) The question of having open Board of Directors' meetings was being debated separately.
- (iv) If the AGM were to be held before the Board of Governors' meeting the agenda would need to be planned carefully to ensure that it was of interest to the general public.

Agreed

The proposal was agreed and would be recommended to the Board of Governors.

10/09 DATES/TIMES OF FUTURE BOARD OF GOVERNORS' MEETINGS

Noted

- (i) Email consultation on the times of Board of Governors' meetings indicated widespread support for earlier meetings, followed by a lunch. However, this was likely to present problems for the current year, as Governors had already planned their calendars on the basis of an evening meeting. Also, appointed Governors, a significant minority of the Board of Governors, were more likely to experience difficulties attending at these times.

Agreed

- (i) To invite Governors to a "social event" at 4.30 on July 2 just before the main meeting at 5.30 to welcome new Governors and say farewell to retiring members;
- (ii) To keep the remaining 2009/10 Board of Governors meetings at 5.30 and review the situation for 2010/11.

11/09 ANY OTHER BUSINESS

- (i) Due to their increasing commitments, the Senior Independent Director asked the committee to consider whether attendance at "Meet the Members" meetings was a valuable use of NEDs' time. The committee agreed that it was not and that NEDs need not attend these meetings from now on. They also asked that the Membership and PPI Governor Director working group considered the future format and content of the "Meet the Members" meetings.
- (ii) The Care Quality Commission had announced a consultation event on the new Healthcare Standards on 1 July to which two Governors could be invited to attend. An email would go out from the Foundation Trust office advising expressions of interest, recognising the benefits of involving those Governors who had worked on the Healthcare Commission Standards for Better Health.

Final draft

12/09 DATE OF NEXT MEETING

Thursday 20 August 2009 at 14.30 in the Boardroom.

DRAFT