

Council of Governors: Summary Sheet

Title of Paper: Appointment of Associate Non-Executive Director

Presented By: Jayne Brown OBE, Trust Chair

Action Required:	For Information	<input type="checkbox"/>	For Ratification	<input type="checkbox"/>	For a decision	<input type="checkbox"/>
	For Feedback	<input type="checkbox"/>	Vote required	<input type="checkbox"/>	For Receipt	<input checked="" type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	X
Determining the remuneration of the Chair and non-executive directors	
Appointing or removing the Trust's auditor	
Approving or not the appointment of the Trust's chief executive	
Receiving the annual report and accounts and Auditor's report	
Representing the interests of members and the public	
Approving or not increases to non-NHS income of more than 5% of total income	
Approving or not significant transactions including acquisitions, mergers, separations and dissolutions	
Jointly approving changes to the Trust's constitution with the Board	
Expressing a view on the Trust's operational (forward) plans	
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution	X
Monitoring the Trust's performance against its targets and strategic aims	

How does this item support the functioning of the Council of Governors?

The Council of Governors is informed of additions to the Board of Directors

Author of Report: Sam Stoddart

Designation: Deputy Board Secretary

Date: July 2018

SUMMARY REPORT

Report to: Council of Governors

Date: 26 July 2018

Subject: Appointment of an Associate Non-Executive Director to Enable an Application for Membership of the Association of UK University Hospitals (AUKUH)

Author: Sam Stoddart, Deputy Board Secretary / Nicholas Bell, Director of Research & Development

1. Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information / assurance</i>	<i>Other (please state below)</i>
				✓	

2. Summary

Sheffield Health and Social Care NHS Foundation Trust (SHSC) has the opportunity to apply for membership of the Association of UK University Hospitals (AUKUH). The AUKUH exists to promote its members interests across the field of service, education and research. It is suggested that “the high-quality teaching and research conducted within these institutions allows the standard of care provided to the patients they treat to be at the forefront of best practice throughout the UK.”

The Board of Directors (BoD) agreed in principle at its meeting of September 2017 the Trust should apply to become a member of the AUKUH. The Trust appears to meet the criteria to be successful in such an application with one exception; members are required to have board membership of a non-executive director (NED) from the faculty.

Dr Mike Hunter, Executive Medical Director presented a paper to the Nomination & Remuneration Committee (NRC) on 23 May 2018 including a proposed job description (see appendix 1) and remuneration levels for the Committee’s consideration.

The Committee noted the position differs from that of other NEDs. It is non-voting and there is no expectation for the role holder to chair any Board Committees; it is therefore categorised as an Associate NED and as such is not a formal member of the Unitary Board. The remuneration levels have been adjusted accordingly to reflect this.

NRC was informed that in determining an appropriate level of remuneration, research was undertaken into appointments in other Trusts. Whilst no corresponding appointments could be found in Foundation Trusts, NED appointments for University Hospitals were identified in non-Foundation Trusts. For all NED appointments in non-Foundation Trusts, the remuneration levels are set at £6,157 p/a for a time commitment of 2-3 days per month. This level is set by the regulator, NHS Improvement. £6,157 was therefore recommended to and accepted by NRC for the Associate NED role.

NRC was assured the role will be subject to all the requirements of an existing NED in relation to the Fit and Proper Persons Test.

3. Next Steps

Following receipt of the information at the Council of Governors on 26 July 2018 the Director of Corporate Governance (Board Secretary) and the Executive Medical Director will proceed with the recruitment of the Associate NED and the application for membership of the AUKUH.

4. Required Actions

On the recommendation of NRC, CoG is asked to acknowledge the role of an Associate NED in order to enable the Trust to make an application for membership of the AUKUH.

5. Monitoring Arrangements

Progress of this appointment and the subsequent application to join the AUKUH would be led and monitored via EDG and the Board of Directors.

6. Contact Details

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Draft Role Description Associate Non-Executive Director

NHS Foundation Trusts

NHS foundation trusts are public benefit corporations that are authorised, under the 2006 Act to provide goods and services for the purposes of the health service in England. Foundation Trusts are free from central government control. This means we have the freedom to make our own decisions, including whether to make and invest surpluses, and to manage our own affairs. However, we are subject to statutory requirements and have a duty to exercise our functions effectively, efficiently and economically.

Role of the NHS Board

The Board of Directors is responsible for all aspects of the operation and performance of the Trust, and for its effective governance. This includes setting the corporate strategy and organisational culture, taking those decisions reserved for the board, and being accountable to stakeholders for those decisions. They are also responsible for assuring that risks to the organisation and the public are managed and mitigated effectively.

There is a general duty on directors to promote the success of the trust so as to maximise the benefits for the members of the trust as a whole, and for the public.

The board of directors include executive and non-executive directors, and the NHS Foundation Trust Code of Governance requires that a majority of the board of directors are independent non-executive directors.

All members of the board of directors have collective responsibility as a unitary board for every decision of the board, regardless of their individual skills or status. Non-executive directors and executive directors alike share the same degree of accountability. All directors have a responsibility to challenge constructively the information and proposals made to the board, but non-executive directors have a particular duty to challenge executive directors and should scrutinise their performance accordingly.

The board of directors is also responsible for establishing the values and standards of conduct for the trust and its staff in accordance with NHS values and accepted standards of behaviour in public life, including the Nolan Principles.

The Board of Directors also has a framework of local accountability through its Council of Governors and Members. The Governors are responsible as a Council for holding the Non-Executive Directors, individually and collectively for the performance of the unitary board.

Each director also has a duty to avoid conflicts of interest and not to accept benefits from third parties (as well as to declare interests in proposed transactions or arrangements with the Trust).

Associate Non-Executive Director Role

This post is open to employees of the University of Sheffield. The role holder must satisfy the requirements of the Fit and Proper Persons Regulations. The process of appointment to the role of Associate Non-Executive Director will be for the University of Sheffield to nominate an individual who can satisfy the requirements of the role description. The individual's ability to fulfil these requirements will be assessed in the same manner as for other Non-Executive Directors, including at interview. The appointment will be subject to approval by the Trust Council of Governors.

As an Associate Non-Executive Director, the post-holder will not be required to chair sub-committees of the Board of Directors (which is expected of other Non-Executive Directors), as such the post is as a non-voting member of the Board. In all other aspects the requirements of the role are the same as voting Non-Executive Directors of the Board.

Role Summary

Non-Executive Directors are responsible for providing appropriate oversight, governance and leadership to Sheffield Health and Social Care ('SHSC') NHS Foundation Trust in the pursuit of its strategies to provide effective and high quality health and social care services. Non-Executive Directors should scrutinise the performance of the Trust's Executive Management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information and that financial and clinical quality controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary, removing Executive Directors and in succession planning.

Values

The Trust is a major employer and provider of services. We are committed to recruiting people who fit our organisational values. These are:

- Respect - we listen to others, valuing their views and contributions
- Compassion - we show empathy and kindness to others so they feel supported, understood and safe
- Partnership - we engage with others on the basis of equality and collaboration
- Accountability - we are open and transparent, acting with honesty and integrity., accepting responsibility for outcomes
- Fairness - we ensure equal access to opportunity, support and services
- Ambition - we are committed to making a difference and helping to fulfil aspirations and hopes of our Service users and staff.

Main duties and responsibilities

Strategy

- Establishing clear objectives to deliver the agreed plans and strategy to meet the Terms of Authorisation and regularly review performance against those objectives
- Ensure that the strategies, actions and decisions approved by the Board of Directors are effectively implemented by the Chief Executive and the Executive Management Team
- Holding the Chief Executive to account for the effective management and delivery of the organisation's strategic aims and objectives

- Ensuring the long term sustainability of the Foundation Trust
- Analysing and contributing positively to the strategic development of long term healthcare plans for the community
- Providing vision to the Foundation Trust to capitalise on the freedoms it enjoys as a result of its status as a Foundation Trust
- Contributing and leading in constructive discussions and debate regarding the strategic development of the Foundation Trust and any other material and significant issues facing the organisation
- Building and maintaining close relations between SHSC NHS Foundation Trust's constituencies and stakeholder groups to promote the effective operation of the Trust's activities
- Ensuring the Board of Directors sets challenging objectives for improving performance.

Compliance

- Ensuring that the Foundation Trust complies with its Terms of Authorisation, the Constitution and any other applicable legislation and regulations
- Maintaining mandatory services and retaining protected property as defined in the Terms of Authorisation
- Maintaining the Trust's financial viability, using resources effectively, controlling and reporting on financial affairs in accordance with the requirements set out by NHS Improvement, the Independent Regulator of NHS Foundation Trusts
- Ensuring the best use of financial and other resources in order to maximise effective treatment of patients
- Ensuring that financial controls and systems of risk management are robust and that the Board of Directors is kept fully informed through timely and relevant information
- Participating in the appointment of the Chief Executive and other senior staff, as appropriate
- Working with commissioners of health and/or social care services to ensure the effective delivery of services commissioned through contracted arrangements
- With the assistance of the Foundation Trust Board Secretary (Director of Corporate Governance), promoting the highest standards of corporate and clinical governance in compliance with the NHS Foundation Trust Code of Governance and other regulatory requirements and best practice, where appropriate
- Upholding the values of the Foundation Trust by example and to ensure that the organisation promotes equality and diversity for all its patients, staff and other stakeholders
- Promoting equality of opportunity and human rights in the treatment of all staff and patients
- Ensuring the Foundation Trust meets its commitment to patients and targets for treatment and
- Ensuring that SHSC NHS Foundation Trust establishes and maintains the highest standards of clinical and environmental hygiene to ensure robust infection control standards
- Ensuring that the Board of Directors complies with its responsibilities to give due regard to the NHS Constitution in its decisions and actions.

Board activities

- Participating fully in the work of the Board of Directors, ensuring the corporate responsibilities of the Board of Directors are fully discharged
- Attending any appropriate committees of the Board of Directors

- Working corporately with other Non-Executive and the Executive Directors of SHSC NHS Foundation Trust
- Liaising and co-operating with the Council of Governors and having due regard of their opinions, as appropriate
- Participating in any Board induction, training and evaluation identified for the Director as an individual and as part to the Board or Committee
- Working with the Senior Independent Director on the annual performance evaluation of the Chair, in line with the process agreed by the Council of Governors' Nominations and Remuneration Committee (the 'NRC') and ensuring that the Senior Independent Director reports back to the NRC or the Council of Governors as appropriate, and
- Undergoing an individual and Board performance appraisal and attending any additional training highlighted as a result of the evaluation process.

Relations with the Council of Governors

- Engage with the council of governors and in particular give account to governors so that they can hold the non-executive directors to account for the performance on the board;
- Attend meetings of the council of governors with sufficient frequency to ensure that they understand the views of governors on the key strategic and performance issues facing the foundation trust;
- Take into account the views of governors and other members to gain a different perspective on the foundation trust and its performance;
- Have an on-going dialogue with the council of governors on the progress made in delivering the foundation trust's strategic objectives, the high level financial and operational performance of the foundation trust;
- Receive feedback from the council of governors regarding performance and ensure that the board of directors is aware of this feedback.

Miscellaneous

- Uphold the highest standards of integrity and probity, adhering to the Nolan Principles (*'The Seven Principles of Public Life' including: selflessness, integrity, objectivity, accountability, openness, honesty and leadership*)
- Ensuring the Foundation Trust promotes equality and diversity for all its patients, staff and other stakeholders
- Safeguarding the good name and reputation of the Trust and
- Acting as a Trustee of charitable funds, where appropriate.

Non-Executive Director: Person Specification

Part One: Experience and Background

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|---|
| • Ability to understand complex strategic issues, analyse and resolve difficult problems |
| • Sound knowledge of corporate governance |
| • Clear understanding and acceptance of the legal duties, liabilities and responsibilities of Non-Executive Directors |
| • Proven leadership skills |
| • Accustomed to a high level of accountability. |
| • Demonstrates a good understanding of business issues, either founded in the private or public sector. |
| • Experience of working across organisations |
| • Experience of working with people with mental health problems, learning disability or substance misuse |
| • Employed by University of Sheffield |

Part Two: Knowledge, skills and personal attributes

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| • Sound, independent judgement, common sense and diplomacy |
| • High level of understanding and interest in healthcare issues |
| • A commitment to uphold the NHS Constitution and principles of good governance applicable to NHS Foundation Trusts |
| • Recent board or equivalent senior managerial level experience gained in an NHS Foundation Trust or a comparable large complex organisation |
| • Highly developed interpersonal and communication skills |
| • Demonstrate a broad understanding of the work of the health service and how it impacts on patients, public and staff. |
| • Politically astute, able to grasp relevant issues and understand the relationships between interested parties. |
| • Be independent in judgement and think creatively. |
| • Understand the aims of Foundation Trust status and the impact of regulatory and compliance frameworks. |
| • Able to provide constructive challenge |
| • Sufficient time and commitment to fulfil the role |
| • Lived experience as a service user or carer (desirable) |
| • Such other qualifications and expertise as may be required |
| • Must be a member of the Trust in either the public or service users and carers constituency |