

COUNCIL OF GOVERNORS' MEETING

11 AUGUST 2016

Paper Title:	Re-appointment of the Trust Chair
Lead Director:	Rob Vincent, Senior Independent Director
Paper Author:	Rob Vincent, Senior Independent Director
Agenda Item:	4
Presented For:	For approval

PURPOSE OF THIS PAPER:

This paper:

- draws attention to the completion, on 16 September 2016, of the first term of office of the Chair of the Trust;
- reports that he is prepared to fulfil the role for a further three-year term;
- outlines the role of the Council of Governors in approving his re-appointment, and of the circumstances in which they might make an alternative decision;
- summarises relevant considerations; and
- confirms that both the Board's Nomination Committee and the Council of Governors' Nomination's Committee recommend the Chair's re-appointment.

CHAIR'S TERM OF OFFICE

Michael Smith has been a non-executive member of the Trust Board since 1 April 2008. He became its Chair on 17 September 2012 and became Chair of the Council of Governors when Foundation Trust status was achieved on 1 May 2016.

Under the nationally-determined governance arrangements for foundation trusts, non-executive directors can serve up to six years in office (e.g. two three year terms). Monitor's Foundation Trust Code of Governance provides that in exceptional circumstances, they may serve longer (e.g. two three-year terms following authorisation of the NHS foundation trust).

Mike has indicated that he is prepared to serve a second term, i.e. from 17 September 2016 to 16 September 2019.

ROLE OF THE COUNCIL OF GOVERNORS, AND OPTIONS OPEN TO IT

The Code of Governance for Foundation Trusts makes it clear that the Council of Governors is responsible for approving the appointment, and re-appointment, of the Chair.

The circumstances in which a decision not to re-appoint would be appropriate are not made clear in the Code. The closest analogy may be those set out for dismissal of a Non-Executive Director. Such action would be appropriate if there were significant concerns over the performance or independence of the individual concerned. The Code of Governance requires all non-executive directors to be independent in character and judgement.

RELEVANT CONSIDERATIONS

Governors will be aware of the current circumstances of the Trust. Briefly, it has:

- successfully achieved FT status;
- maintained its financial stability, with a current overall Monitor Financial Risk and Sustainability Score (FRSS) of three and governance rating of green (the highest obtainable), and expectations of maintaining a FRSS of at least three for the financial year ahead; and
- achieved a CQC assessment of “good” across all quality and safety domains

The Chair's personal performance over the last year was considered by the CoG Remuneration Committee earlier this month. It showed a consistently high assessment by governors and board members.

The Trust's Chief Executive, Non-Executive board members and the Council of Governors' Nomination's Committee are fully supportive of the proposal that the Chair should have a further period of office.

There is no known reason to doubt the continued independence of the Chair, and there are no conflicts apparent from the register of interests.

Governors will be aware that the Chief Executive has announced his retirement, with effect from 31 August 2016. Interim arrangements to cover the role will be put in place, with an appointment process to follow later in the year. In my assessment, there would be significant risks to the confidence of the Trust if a change of Chief Executive and Chair were to occur in quick succession.

These circumstances were formally reviewed by the Board's Nomination Committee on 14 July and the Council of Governors' Nomination's Committee on 27 July 2016. Both Committees recommended that the Chair be re-appointed for a further three years, from 17 September 2016.

RECOMMENDATION

- That the Council of Governors approve the re-appointment of Michael Smith as Chair of the Trust for a second period, from 17 September 2016 to 16 September 2019.