

Report to:	Public Trust Board	Agenda item:	9
Date of Meeting:	6 November 2014		

Title of Report:	Role of the Board of Directors
Status:	For Approval
Board Sponsor:	Brian Stables, Chairman
Author:	Julie Hill, Trust Board Secretary
Appendices	Appendix 1 – Role of the Board of Directors

1. Executive Summary of the Report
The purpose of the report is to set out the role of the Board of Directors. This information will be published on the Trust's website in accordance with the requirements of Monitor's Code of Governance.

2. Recommendations (Note, Approve, Discuss etc)
The Board of Directors is asked to approve the Role of the Board of Directors.

3. Legal / Regulatory Implications (NHSLA / Value for Money Conclusion etc)
Monitor's Code of Governance includes a requirement for NHS foundation trusts to publish on their websites, a description of the role of the Board of Directors.

4. Risk (Threats or opportunities link to risk on register etc)
Risk 10 on the Board Assurance Framework 2014/15 relates to the skills and capacity of the Board of Directors.

5. Resources Implications (Financial / staffing)
None

6. Equality and Diversity
None

7. References to previous reports
N/A

8. Freedom of Information
Public

The Role of the Board of directors

1. Introduction

This document describes the role and working of the Board of Directors and is for the guidance of the Board of Directors, for the information of the Trust as a whole and serves as the basis of the terms of reference for the Board of Directors' own Committees.

2. Role and purpose

The principal purpose of the NHS Foundation Trust is to 'provide goods and services for the purposes of the health service in England'¹. It may provide goods and services for any purposes relating to the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and the promotion and protection of public health. More than half of the Trust's income must come from fulfilling its principal purpose.

The Trust has a Board of Directors which exercises all the powers of the Trust on its behalf, but the Board of Directors may delegate any of those powers to a Committee of Directors or to an Executive Director. In addition, certain decisions are made by the Council of Governors, and certain Board of Director decisions require the approval of the Council of Governors.

The Board of Directors consists of Executive Directors, one of whom is the Chief Executive, and Non-Executive Directors, one of whom is the Trust Chairman

The Board of Directors leads the Trust by undertaking three key roles:

- Formulating strategy
- Ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable
- Shaping a positive culture for the Board of Directors and the organisation.

The general duty of the Board of Directors and of each Director individually, is to act with a view to promoting the success of the Trust so as to maximise the benefits for the members of the NHS Foundation Trust as a whole and for the public.

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).²

The practice and procedure of the meetings of the Board of Directors, and of its Committees, are not set out here but are described in the Board of Directors' Standing Orders (as set out the Constitution).

¹ National Health Service Act 2006, as amended by the Health and Social Care Act 2012 (the Act), s43

² The Act, Schedule 7, 18B and 18C

3. Responsibilities

3.1 General Duties

The general responsibilities of the Board of Directors are:

- To maintain and improve quality of care
- To work in partnership with service users, carers, local health organisations, local government authorities and others to provide safe, effective, accessible, and well governed services for patients
- To ensure that the Trust meets its obligations to the population served, its stakeholders and its staff in a way that is wholly consistent with public sector values and probity
- To ensure relationships are maintained with the Trust's stakeholders, regulators, public, governors, staff and patients, such that the Trust can discharge its wider duties
- To exercise collective responsibility for adding value to the Trust by promoting its success through direction and supervision of its affairs in a cost effective manner
- To ensure compliance with all applicable law, regulation and statutory guidance.

In fulfilling its duties, the Board of Directors will work in a way that makes the best use of the skills of Non- Executive and Executive Directors.

3.2 Leadership

The Board of Directors provides active leadership to the organisation by:

- Ensuring there is a clear vision and strategy for the Trust that people know about and that is being implemented, within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Ensuring the Trust is an excellent employer by the development of a workforce strategy and its appropriate implementation and operation.
- Implementing effective Board of Directors and Committee structures and clear lines of reporting and accountability throughout the organisation.

3.3 Quality

The Board of Directors:

- Ensures that the Trust's quality of service responsibilities for clinical effectiveness, patient safety and patient experience, are achieved.
- Has an intolerance of poor standards, and fosters a culture which puts patients first.
- Ensures that it engages with all its stakeholders, including patients and staff on quality issues and that issues are escalated appropriately and dealt with.

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3.4 Strategy

The Board of Directors:

- Sets and maintains the Trust's strategic vision, aims and objectives ensuring the necessary financial, physical and human resources are in place for it to meet its objectives.
- Determines the nature and extent of the risk it is willing to take in achieving its strategic objectives.
- Monitors and reviews management performance to ensure the Trust's objectives are met.
- Oversees both the delivery of planned services and the achievement of objectives, monitoring performance to ensure corrective action is taken when required.
- Develops and maintains an annual business plan, with due regard to the views of the Council of Governors, and ensures its delivery as a means of taking forward the strategy of the Trust to meet the expectations and requirements of stakeholders.
- Ensures that national policies and strategies are effectively addressed and implemented within the Trust.

3.5 Culture, Ethics and Integrity

The Board of Directors:

- Is responsible for setting values, ensuring they are widely communicated and adhered to and that the behaviour of the Board of Directors is entirely consistent with those values.
- Promotes a patient-centred culture of openness, transparency and candour
- Ensures that high standards of corporate governance and personal integrity are maintained in the conduct of NHS Foundation Trust business.
- Ensures the application of appropriate ethical standards in sensitive areas such as research and development.
- Ensures that Directors and staff adhere to any codes of conduct adopted or introduced from time to time.

3.6 Governance/compliance

The Board of Directors:

- Ensures compliance with relevant principles, systems and standards of good corporate governance and has regard to guidance on good corporate governance (as may be issued by Monitor from time to time) and appropriate codes of conduct, accountability and openness applicable to NHS foundation trusts.
- Ensures that all paragraphs of Monitor's Licence condition relating to the Trust's governance arrangements are complied with.
- Ensures that the Trust has comprehensive governance arrangements in place that guarantee that the resources vested in the Trust are appropriately managed and deployed, that key risks are identified and effectively managed and that the Trust fulfils its accountability requirements.
- Ensures that the Trust complies with its governance and assurance

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obligations in the delivery of clinically effective, and safe services taking account of patient and carer experiences and maintaining the dignity of those cared for.

- Ensures that all the required returns and disclosures are made to the regulators.
- Formulates, implements and reviews standing orders and standing financial instructions as a means of regulating the conduct and transactions of NHS Foundation Trust business.
- Agrees the schedule of matters reserved for decision by the Board of Directors.
- Ensures that the statutory duties of the trust are effectively discharged.
- Acts as corporate trustee for the Trust's charitable funds.

3.7 Risk management

The Board of Directors:

- Ensures an effective system of integrated governance, risk management and internal control across the whole of the Trust's clinical and corporate activities.
- Ensures that there are sound processes and mechanisms in place to ensure effective user and carer involvement in the development of care plans, the review of quality of services provided and the development of new services.
- Ensures there are appropriately constituted appointment and evaluation arrangements for senior positions such as consultant medical staff and those reporting to Executive Directors.

3.8 Committees

The Board of Directors is responsible for maintaining Committees of the Board of Directors with delegated powers as prescribed by the NHS Foundation Trust's Standing Orders and/or by the Board of Directors from time to time.

3.9 Communication

The Board of Directors:

- Ensures an effective communication channel exists between the Trust, its Governors, members, staff and the local community.
- Meets its engagement obligations in respect of the Council of Governors and members and ensures that the Governors are equipped with the skills and knowledge they need to undertake their role³
- Holds its meetings in public except where the public is excluded 'for special reasons'⁴
- Shares the agenda and minutes of Board of Directors meetings with the Council of Governors⁵ and ensures that those Board of Directors proceedings and outcomes that are not confidential are communicated publically, primarily via the Trust's website

³ The Act, Schedule 7, 10B

⁴ The Act, Schedule 7, 18E

⁵ The Act, Schedule 7, 18D

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- Holds an annual meeting of its members which is open to the public⁶
- Ensures the effective dissemination of information on service strategies and plans and also provides a mechanism for feedback
- Publishes an annual report and annual accounts.

3.10 Finance

The Board of Directors:

- Ensures that the Trust operates effectively, efficiently and economically.
- Ensures the continuing financial viability of the organisation.
- Ensures the proper management of resources and that financial responsibilities are fulfilled.
- Ensures that the Trust achieves the targets and requirements of stakeholders within the available resources.
- Reviews performance, identifying opportunities for improvement and ensuring those opportunities are taken.

4. Role of the Trust Chairman

The Trust Chairman is responsible for leading and presiding over the Board of Directors and the Council of Governors and for ensuring that they successfully discharge their responsibilities.

The Trust Chairman is responsible for the effective running of the Board of Directors and Council of Governors and ensuring they work well together.

The Trust Chairman is responsible for ensuring that the Board of Directors and the Council of Governors play their part in the development and determination of the Trust's strategy and overall objectives.

The Trust Chairman is the guardian of the Board of Directors' and the Council of Governors' decision-making processes and provides general leadership of the Board of Directors and the Council of Governors.

5. Role of the Chief Executive

The Chief Executive reports to the Trust Chairman and to the Board of Directors directly. All members of the management structure report either directly or indirectly, to the Chief Executive.

The Chief Executive is responsible to the Board of Directors for running the Trust's business and for proposing and developing the Trust's strategy and overall objectives for consideration and approval by the Board of Directors.

The Chief Executive is responsible for implementing the decisions of the Board of Directors and its Committees and providing information and support to the Board of Directors and Council of Governors.

⁶ The Act, Schedule 7, 27A

6. Accountability to the Council of Governors

The Non-Executive Directors are accountable to the Council of Governors for the performance of the Board of Directors. To exercise this accountability effectively the Non-Executive Directors will need the support of their Executive Director colleagues.

A properly functioning accountability relationship will require the Non-Executive Directors to provide governors with a range of information on how the Board of Directors has assured itself on key areas of quality, operational and financial performance and give an account of the performance of the Trust. The Non-Executive Directors will need to encourage questioning and be open to challenge as part of this relationship.

It is important that the board as a whole allows Governors time to discuss what they have heard, form a view and to feed back.

7. Other matters

The Board of Directors shall be supported by the Trust Board Secretary whose duties in this respect will include:

- Preparation of the agenda, for Board of Directors and Board of Directors Committee meetings, with the relevant Chair, in consultation with the Chief Executive.
- Collation of reports and papers for Board of Directors and Committee meetings.
- Ensuring that suitable minutes are taken, keeping a record of matters arising and issues to be carried forward.
- Ensuring that Board of Directors procedures are complied with.
- Supporting the Trust Chairman in ensuring good information flows within and between the Board of Directors, its Committees, the Council of Governors and senior management.
- Advising the Board of Directors and Board of Directors Committees on governance matters.
- Supporting the Trust Chairman on matters relating to induction, development and training for Directors.

A full set of papers comprising the agenda, minutes and associated reports and papers will be sent within the timescale set out in Standing Orders to all Directors and others as agreed with the Trust Chairman and Chief Executive from time to time. The agenda and minutes of Board of Directors meetings will be shared with the Council of Governors.

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