

## Council of Governors meeting- 18<sup>th</sup> July 2017

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### Proposed amendment to the Trust's Constitution

#### Situation

Any amendments to the Trust's Constitution require the approval of both the Council of Governors and the Board of Directors.

The purpose of this paper is to recommend an amendment to the Trust's Constitution relating to the number of Non-Executive Directors.

#### Background

In November 2013 and January 2014 the Board of Directors and Council of Governors agreed to reduce the number of Non Executives from 6 to 5 (excluding the Chair) in the Trust's Constitution. The reasoning at the time was due to a vacancy and also to help towards the Trust's efficiency savings.

The Chair has discussed the current number of Non-Executive directors with both Non Executive and Executive Director colleagues who are supportive that the Board of Directors should comprise up to 6 Non-Executive Directors (rather than currently up to 5).

The Council of Governors' Nominations and Remuneration Committee also discussed the issue at its meeting on 28<sup>th</sup> June 2017 and was also supportive of the proposed increase in the number of Non-Executive Directors.

#### Assessment

The Trust's Constitution currently states at paragraph 20.2.2:

*20 The Board of Directors is to comprise:*

*20.2.2 up to 5 and not less than 4 other non-executive directors;*

The rationale underpinning the recommendation to allow up to 6 Non-Executive Directors is based on three main factors all of which are designed to give additional resilience and capacity within the Board of Directors establishment:

- Due a recent situation where one Associate Non-Executive Director resigned with short notice and the unplanned resignation of one Non-Executive Director without notice, the Trust was in breach of its constitution for a short period of a time, while a recruitment process was underway to recruit two Non-Executive Directors.

- The increase in the establishment of up to 6 Non-Executive Directors mitigates the risk of Trust Board meetings and Board Committees not being quorate
- The establishment increase also ensures there is sufficient capacity within the Non-Executive Directors to discharge their responsibilities in an increasingly complex and challenging environment in which the Trust is operating.

Therefore it is proposed the Trust's Constitution is amended to the below:

**20     *The Board of Directors is to comprise:***

**20.2.2   *up to 6 and not less than 4 other non-executive directors;***

It should be noted that if a Non-Executive Director vacancy should arise unexpectedly following this proposed change, there would therefore be less imperative to fill the vacancy immediately and also allow for recruitment processes to take place, without a breach of the constitution occurring.

## **Recommendations**

The Council of Governors is asked to:

- Approve the proposed amendment to the Trust's Constitution
- Note that, after the July Council of Governors meeting, the proposed amendment will be presented to the Board of Directors July meeting

Crishni Waring

Trust Chair

July 2017