



<b>MEETING TITLE</b> Board of Directors		<b>MEETING DATE</b> 24/05/2018	
<b>TITLE of PAPER</b>	<b>Review Terms of Reference: YAS' Senior Independent Director V1.2</b>	<b>PAPER REF</b>	5.1
<b>STRATEGIC OBJECTIVE(S)</b>	All		
<b>PURPOSE OF THE PAPER</b>	That the Board of Directors approve the updated Terms of Reference V1.2 for the role of Senior Independent Director at YAS		
<b>For Approval</b>	<input checked="" type="checkbox"/>	<b>For Assurance</b>	<input type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input type="checkbox"/>
<b>AUTHOR / LEAD</b>	Anne Allen, Trust Secretary	<b>ACCOUNTABLE DIRECTOR</b>	Rod Barnes, Chief Executive
<b>DISCUSSED AT / INFORMED BY – include date(s) as appropriate (free text – i.e. please provide an audit trail of the development(s)/proposal(s) subject of this paper):</b> Current SID TOR were approved by the Board of Directors in May 2012. TEG (14 May 2018) reviewed and recommended these updated Terms of Reference for the role of the Senior Independent Director at YAS to the Board of Directors for approval on 24 May 2018.			
<b>PREVIOUSLY AGREED AT:</b>	<b>Committee/Group:</b> Board of Directors	<b>Date:</b> 01/05/2012	
<b>RECOMMENDATION(S)</b>	That the Board of Directors approve the updated Terms of Reference V1.2 for the role of Senior Independent Director at YAS		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b> <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Legal implications/Regulatory requirements</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Diversity and Inclusion Implications</b> <i>If 'Yes' – please attach to the back of this paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission</b> Choose a DOMAIN(s)		5: Well led	
<b>NHSI Single Oversight Framework</b> Choose a THEME(s)		6. Leadership & Improvement Capability (Well-Led)	

## **Review Terms of Reference: YAS' Senior Independent Director**

### **1. PURPOSE**

- 1.1 That the Board of Directors approve the updated Terms of Reference V1.2 for the role of Senior Independent Director at YAS.

### **2. BACKGROUND**

- 2.1 The Higgs review (2003) recommended boards of publicly listed companies should appoint a Senior Independent Director (SID) from among their independent Non-Executive Directors (NEDs). These recommendations were subsequently adopted in the UK Code on Corporate Governance and Monitor's NHS FT Code of Governance, 2014, to which YAS adheres.
- 2.2 The current SID TOR were approved by the Board of Directors [the Board] in May 2012 on the appointment of the former incumbent, Mrs Erfana Mahmood, Non-Executive Director, whose term of office ended on 15 May 2018.

TEG (14 May 2018) reviewed and recommended these updated Terms of Reference V1.2 to the Board for approval.

Today, the Board will also consider the appointment of a replacement Non-Executive Director to the SID role and therefore it is appropriate to review and update the TOR as appropriate. To that end, the Trust Secretary has benchmarked other NHS trusts (Foundation and non-Foundation) and considered the relevant legislation and guidance.

- 2.3 NHS Improvement (previously Monitor) state, the SID will be a Non-Executive Director (NED) who is considered by the Board to fulfil the criteria of 'independence' (see **Appendix A**: Monitor NHS FT Code of Governance, 2014: - A.3.1 & A.3.2) with all the general duties of a NED in common with other NEDs.
- 2.4 The Trust Chairman is not eligible to be the SID, nor is the Deputy Chairman when acting as Chairman due to the need for the role to be independent. The SID does not have to be the Audit Committee Chairman (practice varies).
- 2.5 The SID will be accountable to the Board.
- 2.6 SIDs serve as a sounding board for the Chairman and act as an intermediary for the other Directors (non-executive and officers of the Trust). S/he is responsible for holding an annual meeting with NEDs, without the Chairman present, to appraise the Chairman's performance. They would also be expected to meet with the NEDs on other such occasions when necessary.

### **3. PROPOSALS/NEXT STEPS**

- 3.1 The existing role description (**Appendix B**) has been updated with proposed changes (tracked).

3.2 Monitor's person specification is attached (**Appendix C**) with proposed changes (tracked).

**4. RECOMMENDATIONS**

4.1 That the Board of Directors approve the updated Terms of Reference V1.2 for the role of Senior Independent Director at YAS.

**5. APPENDICES**

Appendix A: Monitor NHS FT Code of Governance, 2014: - A.3.1 & A.3.2

Appendix B: SID Role Description (YAS)

Appendix C: SID Person Specification (YAS)

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## **APPENDIX A:**

Monitor's NHS FT Code of Governance, 2014: - A.3.1 & A.3.2

The board of directors should identify in the annual report each nonexecutive director it considers to be independent. The board should determine whether the director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. The board of directors should state its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:

- has been an employee of the NHS trust within the last five years;
- has, or has had within the last three years, a material business relationship with the NHS trust either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the NHS trust;
- has received or receives additional remuneration from the NHS trust apart from a director's fee, participates in the NHS trust's performance related pay scheme, or is a member of the NHS trust's pension scheme;
- has close family ties with any of the NHS trust's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- has served on the board of the NHS trust for more than nine years from the date of their first appointment; or
- is an appointed representative of the NHS trust's university medical or dental school.

## APPENDIX B

### DRAFT SID ROLE DESCRIPTION (YAS) V1.2

TITLE	<b>Senior Independent Director</b>
REPORTS TO	<b>The SID seeks to be independent in all matters and does not have one route of reporting; this will depend on the nature of the matter</b>
ACCOUNTABLE TO	<b>Board of Directors</b>
<b>1. JOB SUMMARY</b> <p>The Senior Independent Director (SID) will be a Non-Executive director (NED) with all the general duties of a NED in common with other NEDs, but with the enhanced duties of the SID as set out in section 4 below (the SID appointment will not attract any extra remuneration).</p> <p>In summary the SID will be available to Directors or Trust Members if they have concerns which have not or cannot be resolved through normal contact with the Trust Chair, the Chief Executive, or the Trust Secretary, or where such contact is considered to be inappropriate.</p>	
<b>2. CRITERIA FOR ELIGIBILITY</b> <p>The SID is to be a NED who is appointed by the Board of Directors and who is considered to fulfil the criteria of 'independent' as set out by Monitor in the NHS Foundation Trust Code of Governance.</p> <p>The Chairman of the Trust is not eligible to be the SID. The Deputy Chair will not be eligible to be the SID due to the need to be independent of the Chair role. The Senior Independent Director does not have to be the chair of the Audit Committee.</p> <p>The Board of Directors will review the appointment normally every two years, and may re-appoint the incumbent SID or choose another person from amongst the independent non-executive directors as it sees fit. For clarity the appointment period for the SID will normally be two years unless there are operational reasons as to why the Board may wish to vary the term of appointment.</p>	

### **3. WORKING RELATIONSHIPS**

The SID will be appointed by the Board of Directors.

The SID will have the normal working relationships of a NED, however with specific reference to the role of the SID the main working relationships will be with:

- Members
- Directors (including NEDs)
- The Board of Directors
- Chair of the Trust
- Trust Secretary (or role assuming the duties of the Board Trust Secretary).

### **4. PRINCIPLE DUTIES AND AREAS OF RESPONSIBILITY**

#### **4.1 General Duties:**

- a. Be available to Directors if they have concerns about the performance of the Board or the welfare of the Trust, which contact through the normal channels of the Trust Chairman, Chief Executive or the Trust Secretary has failed to resolve or for which such contact is inappropriate;
- b. Be available to the Trust's public and staff members if they have concerns about the performance of the Board of Directors, including the Trust's compliance with the terms of its license or the welfare of the Trust, where contact through the normal channels of Trust Chairman, Chief Executive or the Trust Secretary has failed to resolve or for which such contact is inappropriate;
- c. Carry out the annual appraisal of the Chairman of the Trust and make a report to the Remuneration Committee on the outcome;
- d. Meet with the Non-Executive Directors, in the absence of the Chairman, at least annually to discuss his/her performance as part of the annual appraisal process (or for any other reason which may require the NEDs to meet without the Chair of the Trust);
- e. Chair the Remuneration Committee when matters concerning the incumbent Chairman of the Trust are being considered;
- f. Support the Chairman of the Trust in leading the Board of Directors, acting as a sounding board and source of advice for the chair.

## 4.2 Specific Duties

The SID will work with the Chairman and other Directors to resolve significant issues which may include:

- a. To intervene to resolve issues of concern raised by Directors regarding:
  - i. the Chairman's performance;
  - ii. where the relationship between the Chairman and Chief Executive is either too close or not sufficiently harmonious;
  - iii. where the Trust's strategy is not supported by the whole Board; or
  - iv. where key decisions are being made without reference to the Board or where succession planning is being ignored.
- b. To provide mentoring and/or support to new Board directors as required;
- c. To attend sufficient meetings of the Board of Directors and its Committees to gain a balanced understanding of the issues which are important to them and any concerns they may have.

## 5. TIME COMMITMENT

The Senior Independent Director should ensure they will have sufficient time to meet the rigors of the role and the additional responsibilities.

## 6. APPROVAL

This role description was approved by the Board of Directors at its meeting held on ~~1 May 2012~~ 24 May 2018.

Any subsequent changes to the role description will be agreed by the Board of Directors.

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## 7. REVIEW

The role description of the Senior Independent Director will be reviewed at least every three years or more regularly if required.

**APPENDIX C: SID PERSON SPECIFICATION (YAS) V1.1**

	Essential	Desirable
Qualifications	YAS Non-Executive Director	
Knowledge and Experience	Knowledge and experience of undertaking appraisals and giving feedback	
	Knowledge of governance and compliance	Experience of dispute resolution
Skills	Highly developed communication and negotiation skills	
Personal Qualities	Open and engaging	
	Independent	
	Candid	
Additional Requirements	<p>Willingness to attend meetings <u>in addition to those in Board/Committee annual planner</u></p> <p>Has sufficient availability and flexibility of time to fulfil the requirements of the role.</p>	