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**Open (except Appendix 8 until finalised)**

## **Title of paper**

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Governance Committee Update

## **Author of paper**

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## **Authorised by Trustee or Executive Group member**

Christine Gibbons

Chair of Governance Committee

## **Purpose/Summary**

The Board is asked to:

- **note** this update of the Governance Committee's meeting on 5 March 2019, including the key issues identified by Chairs of National Councils (Appendix 1), the approach to and proposed timetable for recruitment and anticipated number of trustee and council vacancies in Appendices 2 and 3, assessment of performance against the EDI objectives for Board and Councils / recommendation of their objectives for 2019 (Appendix 6) and the governance framework for reporting of "serious incidents" to the Charity Commission (Appendix 7).
- **approve** the committee's statement of the MS Society's compliance against the Charity Code for inclusion within the 2018 Annual Report and Accounts (Appendix 4).
- **approve** the Governance Committee's split of the skills, knowledge and expertise it considers are absolutely "essential" for the Board collectively to possess, relative to those it considers to be "desirable" (Appendix 5).
- **approve** the re-appointment of Treasurer Stuart Secker for a further 3 year term when his first three year term expires on the 25 September 2019.
- **approve** the background, skill-sets and approach to diversity to be sought / taken as part of the recruitment round for Trustees (Appendix 8 – **confidential** until finalised).

## **Details**

### **1 National Councils**

- 1.1 The Governance Committee was provided with copies of all recent minutes of National Councils (available on request) and discussed the key issues previously identified by chairs of National Councils (attached as **Appendix 1**).

## 2 **Charity Governance Code – assessment and action plan**

- 2.1 At its meeting in November 2018 the Governance Committee received, discussed and agreed an assessment, and requested that an action plan be developed to identify relatively actions that could be taken, and choices to be made, given that assessment.
- 2.2 The summary of the Governance Committee’s assessment and action plan is available upon request.
- 2.3 In addition to individual specific actions the Governance Committee agreed that the themes / areas where organisationally we are the weakest, as judged against the Code, and/or where we need to embed improvements made recently include:
  - Size of Board
  - External board effectiveness review (in that one was not carried out in 2018)
  - Impact (including to inform Board decisions)
  - Embedding of, and conversion from improvements in process to achievement of outcomes, our approach to EDI in relation to the charity’s governance
  - Systematisation of engagement with / involvement of stakeholders.

## 3 **Charity Governance Code – Reporting in Annual Report and Accounts**

- 3.1 The Charity Governance Code operates on the principle of “apply or explain”. This year represents the first time a statement of our compliance against the Code will be included within the Annual Report and Accounts. The Committee reviewed developing sector practice and discussed a draft assessment. Following feedback a statement is attached at **Appendix 4** for the Board to **approve**.

## 4 **NCVO “Charity Ethical Principles”**

- 4.1 Early 2019 NCVO published “Charity Ethical Principles” following adverse publicity involving Oxfam, Save the Children and the President’s Club relating to the responsibilities of charities particularly to their beneficiaries, but also to donors and the wider public. Although endorsement of these principles is voluntary, NCVO’s hope is that its existence will encourage charities to reflect these principles in their work and decision making.
- 4.2 The four Charity Ethical Principles NCVO seeks to promote are:
  - Beneficiaries first
  - Integrity
  - Openness
  - Right to be safe
- 4.3 The Governance Committee decided that it was minded to recommend to the Board the adoption of the NCVO’s Charity Ethical Principles, subject to a discussion of the Executive Group of the practical implications of doing so; that discussion has not taken place and a formal recommendation would therefore come to a future meeting.

## 5 **Essential and desirable Board skills and experience**

- 5.1 The Governance Committee considered the list of skills, knowledge and expertise used within the recent skills audit and discussed and agreed its recommendation (**Appendix 5**) of those which it is essential for the board of the MS Society to possess collectively and those which are desirable, which the Board is asked to

**agree.** This does *not* mean that it is expected that every individual on the Board is expected to have those skills.

## **6 Treasurer re-appointment**

- 6.1 As Stuart Secker has only served one three year term he is eligible to be appointed by the Board for a further three year term. The Governance Committee recommends the Board **approves** the re-appointment of Stuart Secker as Treasurer for a further three year term when his current term expires on the 25 September 2019. The Committee noted that identification of / development of a future Treasurer should start as early as possible.
- 6.2 This recommendation is being made at this stage because if the Board wished to carry out a recruitment process then this would need to be started relatively soon in order to be concluded in good time.

## **7 Other (excluding trustee and council recruitment)**

- 7.1 The Committee agreed a summary report on EDI-related performance of Board and Councils (reflected within the paper at agenda item 9), and received and noted progress against the detailed EDI-related objectives which had been agreed for Board and National Councils, which included recommendations for similar objectives within 2019 (see **Appendix 6**).
- 7.2 The Committee noted that (based on those who were known to be on the Board in 2020 and without making any assumptions on the outcome of this year's recruitment round), relative to the targets for composition of the Board from an EDI-perspective, the Board would in 2020 be "low" against the target for people with MS, for those from under-represented groups and – marginally - the number of men. This would be reflected within the approach taken within this year's recruitment round. Chairs of National Councils and country directors would be asked to take a similar approach ahead of recruitment within each nation.
- 7.3 The Committee reviewed the recent skills audit of the Board, taking account both of the skills which the chairs of the National Councils bring to the table and of the fact that it is the trustees who are responsible for the charity's governance.
- 7.4 The Committee, having considered and rejected a recommendation of the Executive Group not to carry out a board effectiveness review for budgetary reasons, identified a small group of its members to work with staff. The Committee set a timetable that the review would be substantially completed during 2019.
- 7.5 The Committee discussed and agreed a governance process (at **Appendix 7**) in relation to the Charity Commission's serious incident reporting process.
- 7.6 The Governance Committee received and discussed an update on the development of a new engagement offering to replace the current membership model (its feedback is reflected within the paper at agenda item 6).
- 7.7 The Committee noted that AGM processes will be substantially the same as recent previous years.

## **8 Trustee and National Council members recruitment**

- 8.1 The proposed timetable for recruitment and anticipated number of vacancies is attached as **Appendices 2** and **3** respectively, which the Board is asked to **note**.

The Committee agreed a process for this year's main recruitment round which is substantially as previous years and noted that, at the end of 2020, the current chairs of both the Governance and People Committees will leave the Board.

- 8.2 The Committee discussed skill-sets and experience to be sought as part of the recruitment of new Trustees with reference to discussions on the Board skills audit (see 7.1 above), feedback from trustees and chairs of National Councils within that exercise, the known future composition of the Board, the EDI-related discussions and a long list of potential skill sets based on feedback from Chair, committee chairs, the observations of the CEO on strategic direction and the skills audit. The Governance Committee's recommendation is at **Appendix 8 (confidential** at this time) which the Board is asked to **approve**.

# Appendix 1

## National Council Key Issues

### England Council (14 February 2019):

- David Allen was unanimously elected as vice-chair of England Council. David has significant experience in supporting the MS Society's policy and campaigning work and is active in influencing the NHS locally, and will make a great vice-chair. David will join Jackie Mumby as one of the two vice-chairs of the council.
- Council had a really interesting discussion on the development of the new organisational strategy, with the discussion on how to reach out to the wider MS community being particularly interesting. There were lots of different views within the Council and the key challenge will be moving towards a more tailored and focussed approach, in which we accept that one approach will not work for all aspects of our community. The Council has a more diverse membership than it has had in the past which is likely to contribute to some interesting debates on this, and some great ideas as to how different approaches might enable us to broaden our reach and appeal.
- Council really enjoyed receiving an update on our research programme from Susan Kohlhaas (Executive Director of Research), and an update on plans for the public launch of the appeal. Feedback locally is that our groups are excited and ready to engage with the public phase of the appeal, but are keen to understand how and when they can contribute. Council members were pleased to hear that our fundraising team is starting to contact local groups now, and looked forward to supporting this work.

### Cymru Council (2 February 2019):

- The Council warmly welcomed Nick Moberly to his first Cymru Council meeting. The Council members were genuinely very pleased that Nick had taken the time to travel to meet the Council so early on in taking up the CEO role.
- We had the opportunity to discuss our developing new strategy and had a wide ranging conversation in the short time available. Council members are keen that we consider the differing needs of all people with MS from cradle to grave, and don't just focus on one segment of the community. We discussed people with more advanced MS and the need to speak out about palliative and end of life care as well as engaging with people who are newly diagnosed.
- Council also received a presentation from our newly started Big Lottery Funded Active Together project. Council members were really enthusiastic about this pilot project which is covering two local authority areas in Wales and were keen that best practice from the project be shared as quickly as possible across Wales and the UK. Council members congratulated the charity on being successful in being awarded another BLF funded project.

### **Scotland Council (6 February 2019):**

- Scotland Council were pleased to welcome Nick Moberly in person, Amy from the Shetland Islands virtually and some of our many volunteers who joined us for lunch, to the first meeting of 2019. As usual discussion was wide ranging.
- The increasing potential and influence of Digital was a major theme of the meeting, contributing in some way to every item on the agenda. Council recognised the importance of becoming more inclusive in our interaction and engagement with people affected by MS and that increased use of digital in its many forms will also help us achieve this and our objectives and support the Scotland Strategy. 'Virtual' meetings are achieving better outcomes, training and support in the use of IT will hopefully increase this by encouraging and enabling greater participation. The Chair will join the Group convenors Zoom meeting to find out what support groups need. It is though important to recognise that Scotland is not well served with broadband and other internet connections in many areas, with no news of when things will improve.
- Council has supported in many ways the Neurological Action Plan review that has been taking place in Scotland, including attending consultation events, meetings and providing input to the response. The plans were still open to consultation at the time of the Council meeting and the Council supported the themes that would form the basis of MS Society Scotland response:
  - Agree with the sentiment
  - They don't constitute Standards as there is nothing measurable
  - Language used is very vague; 'demonstrate a commitment'
  - Content is covered elsewhere
  - Need for condition specific aspects to standards that involve treatment, reviews and diagnosis
  - No plan for monitoring and reviewing the standards
- The importance and emergence of new groups was recognised such as Newly Diagnosed, Change in Symptoms and Living Well - it is important to embrace all groups. Their emergence illustrates the diversity of the needs of PaMS.

### **Northern Ireland Council (4 February 2019):**

- Council members discussed the regional review of neurology and were in agreement that it is important to look at the patient experience, dealing with the relationship between the GP and secondary care, the referral system and the advice and guidance given by neurology to GP's. The current waiting list of 68 weeks for a person referred by their GP to see a Consultant is unacceptable.

[Confidential information has been removed]

## **Appendix 2**

### Recruitment and elections timetable 2019

- End of March – external advertisements placed (after confirmation of skill sets being sought for Board)
- 11 April – MS Matters arrives by post
- 10 May (5pm) – closing dates for applications for Trustees and councils [a possibility is to bring this forward to allow more time for shortlisting]
- 13 May– 17 May – shortlisting period for Trustees and councils
- 20 May – 7 June – Trustee and National Council interviews (with emphasis on these being arranged as early as possible)
- 24 June – Board approval
- August and September – election process
- 21 September – AGM elects candidates
- October – December – induction period
- 1 January 2020 – term of office begins

## Appendix 3

### Trustee and Council Member Vacancies 2018

<b>Board</b>	<b>3 vacancies</b> (2 Trustees eligible for re-election; 1 Trustee coming to the end of a second term; there is one co-opted Trustee who would be expected to stand rather than be co-opted again)
<b>Cymru Council</b>	<b>4 vacancies</b> (2 Council members coming to the end of second term; 1 Council member is eligible for re-election; 1 Council member is currently co-opted who we don't anticipate standing for election)
<b>England Council</b>	<b>9 vacancies</b> (4 Council members are approaching the end of their first term and can seek re-election; there are 2 co-opted Council members who would be expected to stand rather than be co-opted again; and 3 areas that are currently vacant)
<b>Northern Ireland Council</b>	<b>4 vacancies</b> (3 Council members eligible for re-election; 1 Council member is serving their second 3 year term and can't seek a new term)
<b>Scotland Council</b>	<b>4 vacancies</b> (4 Council members are eligible for re-election)

## **Appendix 4**

### **Reporting against Charity Governance Code**

The new Charity Governance Code was published during 2017 and the MS Society has embraced it as a tool for self-assessment and continuous improvement. The Board is satisfied that we substantially comply with the Code and that where we do not there is good reason. For example in 2018 we did not carry out an external board effectiveness review whilst the board focused on a change of CEO, but will commence one in 2019, and our board was slightly larger than recommended as a result of taking steps to increase diversity. Our Governance Committee reviews the charity's performance against it regularly, at least annually, in line with the Code's intent of supporting continuous improvement. An area of particular focus over the last year has been a focus on diversity, including setting expectations for the composition of our Board and our National Councils.

## **Appendix 5**

### Classification of skills, knowledge and expertise used within Board skills survey

**[At the Board meeting on 25 March 2019, the Board asked for this list to be re-ordered. This appendix is the re-ordered version which was circulated to the Board after the meeting]**

#### **Essential:**

- Lived experience of MS
- Understanding of MS and the effects of living with MS
- Board governance
- Charity governance
- Communications/marketing/PR
- Digital transformation
- Financial management
- Fundraising
- Knowledge of charity sector
- Knowledge of the MS Society's history / culture / operating environment
- Monitoring and evaluation / impact [In future years we would split this between "Monitoring" – essential and "Evaluation / impact" – desirable]
- Movement building / Campaigning/Influencing/Mobilisation
- Policy / advocacy
- Risk management
- Strategic management

#### **Desirable:**

- Operational management skills
- Investment management
- Tax
- People / HR
- IT / digital management
- Property management
- Change management
- Collaboration / partnership working
- Government affairs
- NHS / health care
- Social care
- Legal knowledge generally
- Company law
- Charity law
- Ambassadorial/public speaking
- Provision of emotional and other support services
- Management of individual grant giving
- Management of research grant giving
- Working with volunteers
- Safeguarding
- Health & Safety
- Equality, inclusion and diversity

[Note – the latter is referring to skills relating to EDI, rather than the Board's own diversity]

# Appendix 6

## Report against 2018 EDI objectives for Board, National Councils and leadership group – and proposed 2019 objectives

### Board

- Improve BAME representation on the Board through co-option, having identified (November / December 2017) the priority of increasing the Board's ethnic diversity (and, within that if possible, recruiting someone who is younger and/or has MS)
  - Report – the priority aspect of this was achieved in 2019 (though the subsidiary aspect wasn't (using the definition set by the Governance Committee in November 2018 of "young" being under 35 at the time of appointment
  - 2019 objective: Maintain / improve BAME representation on the Board without presuming how this is done and within the context of the composition targets that the Board has set
- Expressly state EDI (including those with MS) as a priority within the 2018 recruitment round, indicating a willingness to be flexible on the lack of prior Board-level experience (to avoid a lack of diversity elsewhere itself being a barrier) and use a wide range of advertising, including particularly social media, to broaden those who are aware of our recruitment of trustees (particularly amongst those who are younger)
  - Report – achieved
  - 2019 objective – as 2018
- Agree, during 2018, expectations of future Board composition from an EDI perspective – in order to inform future recruitment rounds
  - Report – achieved
  - 2019 objective: Use the agreed expectations to inform the 2019 recruitment round; move closer to the expectations which have been set

### Councils

- Carry out an initial assessment of the composition of the National Councils and use that to inform emphases within advertising associated with the 2018 recruitment round
  - Report – achieved
  - 2019 objective: Assess the composition of the National Councils and, taking account of the agreed expectations, set appropriate emphases within advertising associated with the 2019 recruitment round
- Ensure the use of a wide range of advertising, including particularly social media, to broaden those who are aware of our recruitment of members of National Councils
  - Report – achieved
  - 2019 objective: as 2018
- Agree, during 2018, expectations of the level of diversity expected within National Councils in order to inform recruitment rounds
  - Report – achieved
  - 2019 objective: Use the agreed expectations to inform the 2019 recruitment round; move closer to the expectations which have been set

## **Appendix 7**

### **Governance arrangements for serious incident reporting**

- Day to day lead – Head of Governance; reporting to Chief Executive [as currently]
- Chair and chair of Audit, Risk & Finance to be informed of a serious incident prior to its being reported wherever possible but, if they cannot be contacted, then this should not prevent an incident being reported (they should then be informed as soon as possible) [as currently]
- Monthly report to Chair and chair of ARF on open reports
- Report to Chair and chair of ARF on closure of report
- Report to Executive Group on a [TBC with EG] quarterly basis
- Reporting to ARF at each meeting on reports which are open, those which have been closed, any points of detail (e.g. processes that have been identified as needing improving) and recording any commitments given or descriptions of actions that we have said we are taking / will take.
- That report to be a rolling 12 month report

## **Appendix 8**

### Skill-sets and characteristics sought within Trustee recruitment

- Specific skills from the following list:
  - Fundraising
  - Marketing / communications
  - Digital transformation
  - Mobilisation / Campaigning / movement building
  - Policy & advocacy
- Individuals with MS
- Those from groups under-represented on boards, particularly
  - Individuals from under-represented socio economic backgrounds
  - Individuals who are under 35 years of age
  - Individuals who would broaden the Board's diversity in terms of ethnicity and geographic