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**Open**

## **Title of paper**

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Governance Committee Update

## **Author of paper**

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Head of Governance

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

Christine Gibbons

Chair of Governance Committee

## **Purpose/Summary**

The Board is asked to:

- **Note** the update from the Governance Committee on its meeting of 6 September 2018, including the key issues identified by Chairs of National Councils (Appendix 1).
- **Agree** to the change outlined at paragraphs 4.1 and 4.2 in relation to payments to / remuneration of the chief executive.
- **Ratify** the approach taken to the Cymru National Council elections at paragraph 2.2 given the change in circumstances during the election process.

## **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 and attached as **Appendix 1**.
- 1.2 In addition to feedback on membership there was particular emphasis around what the Councils' licence to operate was / the extent to which Councils did or did not feel empowered. This was triggered by previous feedback in relation to agenda management and discussion about eg whether budget was available for Councils to meet elsewhere.

### **2 AGM**

- 2.1 The Committee received a brief update, noting in particular that voting appeared to have reached the quorum earlier this year than previous years.

- 2.2 The Committee discussed the Cymru Council elections where there had been drop-outs of candidates following the mailing of the AGM booklet and the start of elections. This had resulted in there being fewer candidates than places – in an election which had been structured on the opposite basis; had this been the position from the outset then members would have had an opportunity to vote for or against individual candidates. The Committee **recommends** to the Board that it ratify the approach that has been followed in which the total votes cast for the remaining candidates would be declared at the AGM (there being no for / against figures available as there are elsewhere where there is no contested election).

### **3 Automatic disqualification**

- 3.1 The Committee received a report on the self-certification that had been given by all trustees – an update to the trustee undertaking - and by the CEO and Executive Director of Finance, Strategy & Impact.
- 3.2 It decided that in relation to trustees and those two directors:
- 3.2.1 Self-certification should be carried out annually, eg alongside declarations of interest; therefore more frequently than the current trustee undertakings.
- 3.2.2 Checks should be carried out annually against:
- Individual Insolvency Register
  - Register of disqualified directors maintained by Companies House
  - Register of all persons who have been removed as a charity trustee either by the Charity Commission or by an Order of the High Court.
- 3.3 In the context that members of the Executive Group are not trustees or directors (in the sense that trustees are directors and are registered at Companies House) the Committee was of the view that, subject to any employment law issues the same checks should nevertheless be carried out on all members of the Executive Group on the same basis; this will be taken forwards with the Executive Director of People.

### **4 Internal governance**

#### CEO remuneration / relationships

- 4.1 Currently setting the Chief Executive's remuneration is the responsibility of the Chair, in consultation with the Vice Chair and Treasurer and, if and where appropriate, input from other Trustees. The Committee agreed (in the context of the recent Official Warning given to the RSPCA in the context of a financial settlement to an outgoing chief executive and potential for increased focus in the context of appointment of a new chief executive) to **recommend** to the Board that, whilst this would continue to be led in practice by the Chair (a) the terms of the Chief Executive's remuneration (including salary, bonuses etc.) and (b) any other payments (e.g. financial settlements etc.) would also need to be approved by the People Committee. This wouldn't apply to e.g. routine reimbursement of expenses incurred in the normal course of business. In practice, given the frequency of People Committee meetings, approval would often be via email (or a telephone meeting if

necessary), though being noted at a following meeting.

- 4.2 This change is recommended with immediate effect (though eg the Authority to Act and Rules and SOPs will not be amended to reflect this change until the November Governance Committee / December Board). It would be documented at that meeting on the basis that the People Committee would have delegated authority – but that it would notify the Board of the outcome of its decisions (through its minutes or otherwise).
- 4.3 The Committee requested that the question of a remuneration policy be looked at, both internally and possibly within the Annual Report & Accounts, taking account of (though not replicating) governance within the corporate sector. This will be taken forwards by the Executive Director of People with the People Committee.
- 4.4 The idea of an open moment for discussion / reflection within the Board on relationships between chair, vice chair and chief executive was discussed and will be returned to.

#### Committee vacancies

- 4.5 The Committee agreed a timetable and discussed the approach to vacancies on committees. These will include (as a result of the expiry of terms on those committees) two vacancies on the Audit, Risk & Committee for trustees and one for a member of a National Council. The Committee identified that the existing processes within the Rules and SOPs were based around the premise that there were limited places on committees and had not been amended when the maximum size of individual committees was removed. It agreed therefore that this year the process that would be followed would be that trustees (or National Councils) would be informed of what vacancies definitely existed so that individuals could discuss their interest with the Chair; a written statement would not be needed even where there were “competing” individuals; the Chair, working with Vice Chair and committee chairs, would bring a recommendation to the Board. The working assumption identified was that the time to consider the appointment of any additional trustees to the RSC would be when that committee’s membership was being considered which would, in turn, be following the appointment of a second co-chair.
- 4.6 Following this year’s experience amendments to the Rules and SOPs would be developed for use in future years.

#### Council and Committee reviews and plans

- 4.7 The Committee agreed to the same approach in relation to National Councils’ annual reviews and plans as recent years (including the attendance of a trustee at the relevant meeting of each Council).
- 4.8 The Committee agreed to the same approach in relation to the Board’s committees as recent years in which, ahead of the December meeting of the Board:

- Each committee would prepare an annual workplan (to be shared with the Board), based on:
  - Clear identification of the key topics and priorities for the committee's work for the year ahead (to be shared and discussed with the Board to ensure that the Board agrees with the prioritisation), and
- Each committee would prepare a review of how its work has progressed relative to its plan and, in particular, against the key topics and priorities which were agreed with the Board (for the Board to consider and, if it wishes, discuss - particularly in the context of setting the following year's priorities and workplan).

#### Corporate governance reviews in 2019

- 4.9 The Committee's own preliminary assessment is that in 2019 it would, from a corporate governance perspective, be likely to look at The Governance Committee is asked to reviewing the Articles for MS Trading and MS Nominees, work on membership, external Board effectiveness review, governance in relation to litigation, processes around serious incident reporting and, if necessary, the Councils' "licence to operate".

## **5 Miscellaneous**

- 5.1 The Committee received an interim report, available on request, on progress in relation to the EDI objectives relating to the Board and National Councils, and nominated a small working group to support the work that would be required in the final few months of the year – particularly in relation to the composition of the Board and National Councils. The linkage between that aspect and the work on membership was noted.
- 5.2 The Committee confirmed that it had no objection in principle if the Cymru National Council chose to co-opt (which requires the Board's approval) one of the candidates who had withdrawn from the election. A proposal is likely to be brought to the November Governance Committee / December Board.
- 5.3 The Committee received a short verbal report on recent developments in governance which, in addition to the introduction of the changes around automatic disqualification, included observations on apparent trends in the Charity Commission's response to issues once it became involved with an individual charity and a continuing emphasis on the importance of culture and leadership (following the Charity Commission's comments on the IDC report triggered by safeguarding in international aid charities). Combining the two, the importance of a prompt response to avoid escalation but without taking steps that might be perceived as closing off concerns was highlighted.

# **Appendix 1**

## **National Council Key Issues**

### **England Council (26 July 2018):**

- The council was briefed on the upcoming vote on membership. The council still supports the move and will get briefing papers prior to the autumn volunteer forums.
- The council agreed to try video conferencing. This would be as a supplement to council meetings. Some council members thought that the period between meetings was too long. It is hoped that the use of video conferencing would let council members explore ideas on a more frequent but informal basis. As some members have not used "Zoom" a test conference is to be arranged first.
- The chair asked for members to give consideration to moving the council meetings around England. The plan would be for 1 meeting a year to be held outside of London. Staff from MSNC could dial into the meeting to present updates providing suitable meeting rooms are found. The chair will be contacting members within the next few weeks to get their views. If we agree to this, the first meeting would be in April next year.
- We had a debate on EDI following on from a presentation by Phillip Anderson. Some council members thought more needed to be done especially with regards to gender mix of the council.

### **Cymru Council (11 August 2018):**

- We had a presentation on the progress to date of the Big Lottery/ MCF and MS Society funded My Rights, My Choices project. The Council are fully supportive of the organisation applying for continuation funding and are keen to help shape the development of the bid through involvement of the Management Steering Group. As part of the partnership between project staff, our LNOs and local groups a number of outreach events have been held and have been successful in attracting new people to engage with us. We discussed the mechanisms by which these new pockets of activity can link properly into the local network programme.
- We also had a wide discussion on the inequality of access to services to support people with MS – both between Local Health Board and within Health Boards dependent on the type of MS you had. It was agreed that there was an ongoing need to put significant pressure on Welsh Government to review MS services as part of their new plan for Health and Social Care.
- We also had a further discussion as a result of the membership update paper and the proposed resolution to the AGM. In the main council

welcomed that further work would be done on this is the resolution is passed, but there was some concern about the phrasing of the resolution.

### **Scotland Council (15 August 2018):**

- Membership - Scotland Council are keen that a mechanism is put in place to ensure Groups continue to receive the contact details of people in their areas who make contact with the society. This is in addition to the protection of income.
- EDI – important to emphasis rurality (including distance to services & local infrastructure)/geography/poverty. It was noted discussed that there were various data sources around EDI but the overview focused mostly on online data. Council would appreciate more information on where the data comes from.
- Digital - Feedback form Council identified that some groups in Scotland would benefit from additional support in the digital aspect of the Local Networks Programme, particularly the technology, kit and passwords, some group members lack confidence in these areas.

### **Northern Ireland Council (20 August 2018):**

#### Membership

- How will Trustees be appointed?
- What will the process be?
- How will underperforming Trustees' period of office be brought to an end?
- What will be the relationship between the Board of Trustees and the new membership?
- What power will the new membership have if, for example, they do not agree with the direction for the organisation as determined by the Board of Trustees?
- How will democracy operate?
- How will the National Councils relate to the Board of Trustees?

#### Action for Children Partnership

- Council Members were pleased to learn about a partnership with Action for Children with a workshop taking place on 23 August 2018 using elements of Digesting Science.

#### Patient Recall

- Council Members continue to attend meetings with the Permanent Secretary, Department of Health and the Belfast Trust regarding the Neurology recall with a focus on providing ongoing psychological support.