

## Council of Governors: Summary Sheet

**Title of Paper:** Appointment of Chair

**Presented By:** David Walsh, Director of Corporate Governance (Board Secretary)

<b>Action Required:</b>	<b>For Information</b>	<input checked="" type="checkbox"/>	<b>For Ratification</b>	<input type="checkbox"/>	<b>For a decision</b>	<input type="checkbox"/>
	<b>For Feedback</b>	<input checked="" type="checkbox"/>	<b>Vote required</b>	<input type="checkbox"/>	<b>For Receipt</b>	<input checked="" type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	X
Determining the remuneration of the Chair and non-executive directors	
Appointing or removing the Trust's auditor	
Approving or not the appointment of the Trust's chief executive	
Receiving the annual report and accounts and Auditor's report	
Representing the interests of members and the public	
Approving or not increases to non-NHS income of more than 5% of total income	
Approving or not significant transactions including acquisitions, mergers, separations and dissolutions	
Jointly approving changes to the Trust's constitution with the Board	
Expressing a view on the Trust's operational (forward) plans	
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution	
Monitoring the Trust's performance against its targets and strategic aims	

### How does this item support the functioning of the Council of Governors?

The proposal for a Chair to be in post for a fixed-term will provide stability to the organisation, which will in turn support the Council of Governors in undertaking its duties in respect of providing effective challenge to the Chair and Non Executive Directors.

**Author of Report:** David Walsh

**Designation:** Director of Corporate Governance (Board Secretary)

**Date:** 20 July 2020

## Council of Governors

**Date:** 20 July 2020

**Subject:** Appointment of Chair

**From:** David Walsh, Director of Corporate Governance (Board Secretary)

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### 1. Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (please state below)</i>
					X
<ul style="list-style-type: none"> <li>To ensure the Council of Governors is fully aware of activity that is being undertaken to ensure the appointment of a Chair following the retirement of the current incumbent;</li> <li>To ensure Governors are sighted on the circumstances giving rise to the variation from the ordinary processes that would lead to the appointment of a Chair, particularly given their normal role in that process.</li> </ul>					

### 2. Background

Appointment to the role of Chair is ordinarily reserved to the Council of Governors (CoG) following a process that would involve this committee agreeing a recruitment process, resulting in an appropriate, appointable candidate being selected.

As the current Chair, Jayne Brown, was initially due to retire at the end of June 2020, that process had commenced to the stage where a shortlist had been developed, prior to the Covid-19 incident halting this in March 2020. With this delay in mind, the existing Chair indicated a willingness to remain in the short-term and an extension of up to six months was agreed by CoG in May 2020.

The outcome of the CQC inspection of the Trust in February 2020 was published in late April, with the Trust found to be 'inadequate'. The Trust was confirmed to be in special measures by NHS Improvement in May 2020, with a requirement from its regulators (CQC and NHSE/I) to review and strengthen its governance. This work is underway, but more immediate action is required to ensure that Board-level leadership which extends beyond the short-term period of the extensions that were agreed, is in place to lead the improvement journey.

#### 2.1 Wider context and other Board-level roles

There are other key roles at Board level which need to be filled. The Chair of the Audit and Risk Committee received an extension in her role alongside the Trust Board Chair, but has given notice that she intends to depart the organisation no later than 31 October 2020. It is essential that a new appointment is made to this role,

and in good time. In addition, there is a Non-Executive Director (NED) vacancy which the Trust has been carrying which it would be beneficial to fill to provide greater depth at Board level.

Following discussions involving NHSE/I, it is felt that to place the Trust in the best possible position to make the improvements needed quickly, progress needs to be made in these appointments. The ideal scenario would involve a Trust Board Chair who will be in place beyond the short-term period that was agreed being fully involved in the process to replace the Chair of the Audit and Accounts Committee and to fill the NED vacancy. This will enable the Chair to lead the Board and the necessary work on governance through the next period of stabilisation, including delivery of the Back to Good Programme and Well-Led Development Plan.

## **2.2 Trust Board Chair**

NHSE/I has identified a suitable candidate, Mr Mike Potts, to fill the role of Trust Board Chair with effect from 1 August 2020, for a 12-month term. Given the Trust's regulatory status and the unique situation arising from the Trust Board Chair recruitment process being interrupted by the Covid-19 incident, it is intended that this appointment be made outside of the normal arrangements.

Mr Potts has 39 years of leadership and management experience within the NHS, operating at Board level for 20 years and spending 12 years as a Chief Executive. He has also managed three successful commissioning organisations in South and West Yorkshire. Among his more recent roles, he supported a number of health and social care systems agree an action plan following a CQC whole system review of how they support older people, and has supported a number of health and care systems to achieve greater integration.

The appointment will have the effect of enabling the retirement of the existing Chair upon the new Chair's commencement in post, in line with her wishes, well within the six-month window agreed by CoG in May. It will also mean immediate progress can be made on resuming the appointment process for the Chair of Audit and Risk Committee with full engagement from the new Chair, and the process on filling the other NED vacancy can also commence with the same certainty of leadership.

This has been discussed between the Lead Governor and NHSE/I's Locality Director for South Yorkshire and Bassetlaw in advance of this report being circulated.

## **2.3 Supporting role of Council of Governors**

The appointment detailed above has been proposed in response to the regulatory requirements. This is why there will be variation from the normal process and so formal approval of CoG is not required.

Nonetheless, the support of CoG is requested as this will continue to be a key relationship for the new Chair as the Trust continues on its improvement journey. As detailed above, the appointment will be on a 12-month basis but it is anticipated that, during this period, governors will play a leading role in shaping the role description of the long-term successor. This will enable CoG to resume its normal duties in recruiting a substantive Chair to the Trust to commence in role at the conclusion of the 12-month period.

The matter was considered and supported by the NRC on Monday 20 July.

**3. Next Steps**

It is anticipated that this report will be presented to the Council of Governors on 23 July 2020, with the new Chair commencing in post on 1 August 2020.

**4. Required Actions**

The Council of Governors is asked to receive this report and offer its support.

**5. Monitoring Arrangements**

It is the responsibility of the Director of Corporate Governance (Board Secretary) to ensure that NEDs, including the Chair, meet the requirements of the Fit and Proper Persons Regulation mentioned in section 2, including completion of an annual performance appraisal.

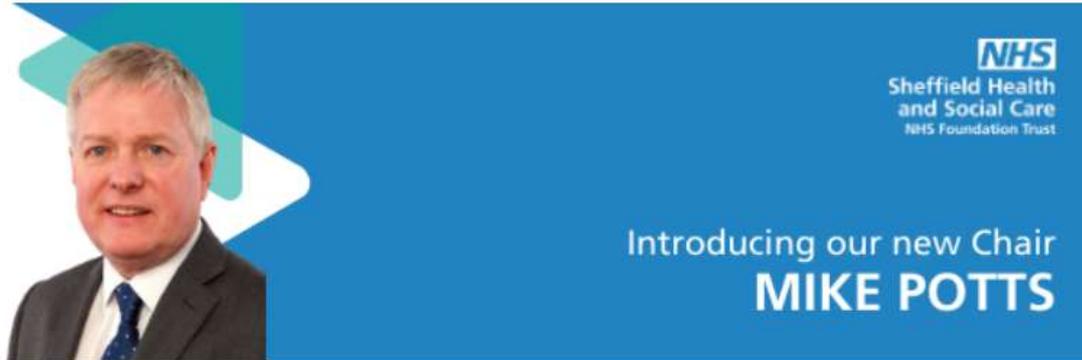
Given the timescales, some of the processes required under the Fit and Proper Persons Regulation will not be achieved by the 1 August 2020. In lieu of that, the suitability of the candidate for the appointment has been discussed and is supported by the Regional Director of NHS England.

**6. Contact Details**

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## **Mike Potts**

Mike's NHS career has spanned more than 39 years, with over 12 years as a Chief Executive of 3 high-performing commissioning organisations in West Yorkshire. He has held board-level leadership roles for over 20 years in acute hospitals, primary care, community services and commissioning organisations and has worked successfully at the interface between health and social care.

Mike has led successful multi agency major strategic change and service reconfiguration in the NHS including responding to major financial and service challenges across health economies. He has extensive knowledge and experience of commissioning, major NHS procurement, leading major local, regional and national service reviews, working with local and national politicians and has also supported challenged organisations including as interim CEO.

He retired from the NHS at the end of March 2013, to work independently, after leading the establishment of the new commissioning architecture across West Yorkshire following implementation Health and Social Care Act 2012.

Recent assignments have included:

- Leading the Helping People Home Team, a joint NHS England/Department of Health commissioned piece of work advising ministers and supporting challenged health and care systems address the significant increase in the number number of delayed transfers of care. (2015)
- Independent Chair of the Pan Staffordshire Transformation Programme – a joint committee of 6 Clinical Commissioning Groups, 2 Local Authorities and other system partners established to drive system/service transformation across health and social care in Staffordshire and Stoke on Trent (2016)
- Supported 2 acute trusts in West Yorkshire develop more structured collaborative working to ensure future clinical and financial sustainability of acute services for their combined population. (2017/18)
- Negotiated a refreshed working relationship between the Yorkshire and Humber Academic Health Science Network and the 3 Integrated Care Systems across Y&H which will ensure that innovation and quality improvement will be embedded into delivering agreed priorities. (2018)

- Supported a number of health and social care systems agree an action plan following their CQC whole system review of how they support older people. (2017/18)
- As an Associate with Hill Dickinson LLP supporting a number of health and care systems across the North of England achieve greater integration. (2019/20)

Mike enjoys the challenge of partnership working and has a passion for supporting effective multi agency and multi professional working. He is also strong advocate for the power of managers and clinicians working effectively together to deliver innovation and major service transformation.

Mike is professionally qualified and holds a Master of Business Administration (MBA). He is an Associate with Hill Dickinson LLP and from 2015-2019 was health advisor to the Board of the United Kingdom Home Care Association (UKHCA).