

Policy and Procedure

Council of Governors: Composition of Non-Executive Directors

For completion by Author			
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To be read in conjunction with the following documents:	<p>Development Framework for Provider Chairs</p> <p>Fit and Proper Persons Regulations and NHSE 'test' framework</p> <p>Constitution of Liverpool Heart and Chest Hospital NHS Foundation Trust</p> <p>Code of Governance (NHSE, October 2022)</p> <p>'Your Statutory Duties-A Reference Guide for NHS FT Governors' (NHSE, October 2022)</p> <p>The Healthy NHS Board-Principles for Good Governance (NLC, February 2010)</p> <p>'Foundations of Good Governance-Compendium of Best Practice'</p> <p>NHSE Non-executive Directors' performance appraisal: a good practice guide</p> <p>NHSE Framework for conducting annual appraisals of NHS Chairs</p>		
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Document Statement

The Council of Governors is required to maintain a policy for the composition of Non-Executive Directors which takes account of the Membership Strategy, and which they shall review from time to time and not less than every two years. The process for appointing (and removing) the Chair and Non-Executive Directors is set out in the Constitution, Annex 6.

1. Key Responsibilities of the Board of Directors

The key responsibilities of the Board of Directors are summarised in the table below:

Summary of the Responsibilities of the Board of Directors	
People / Leadership	<ul style="list-style-type: none">• Ensure clear vision and strategy in place for people to work towards, within a framework of effective controls and assurance about patient and staff experience.• Create a compassionate caring and inclusive environment welcoming of change and challenge; set values, ensure these are widely communicated and that the behaviour of the Board is entirely consistent with those values.• Ensure high standards of corporate governance and personal integrity.• Work effectively with stakeholders, including Council of Governors and Membership.
Strategy	<ul style="list-style-type: none">• Set and maintain strategic vision, aims and objectives ensuring necessary resources in place.• Develop annual plan as a means of taking forward the strategy and ensure its delivery.• Ensure national policies and strategies are effectively implemented.• Build organisational and system resilience for the benefit of the population of the system as a whole.
Performance	<ul style="list-style-type: none">• Ensure the trust operates effectively, efficiently, and economically.• Ensure continuing clinical, operational, and financial viability and long-term sustainability.• Ensure the trust achieves financial and quality targets and meets the requirements of stakeholders within available resources; measure performance against constitutional and CQC standards.• Support service improvement for the benefit of the population of the system as a whole, ensuring patient safety, experience and outcomes remain the principal focus.
Partnerships	<ul style="list-style-type: none">• Ensure commitment to partnership working, collaboration and whole system working for the benefit of patients and the wider population.
Governance	<ul style="list-style-type: none">• Ensure openness, transparency, probity, and accountability.• Apply financial, commercial, and technological knowledge effectively and ensure that there is a comprehensive framework of governance and system of internal controls that ensures risks are effectively managed.• Ensure patient safety is paramount.• Understand the Trust's regulatory and compliance context and ensure compliance with regulatory requirements, including CQC standards and Provider Licence.• Ensure that there is a systematic delivery of excellent, safe, compassionate care that is patient and family centred.

2. Skill Mix

Non-Executive Directors must have the necessary skills knowledge and experience to perform the functions required and the skill mix of the NED team should be balanced to reflect a range of expertise to include clinical, people (patients, families and workforce), finance and commercial skills. In particular, NEDs must have a mix of skills that will enable effective challenge and scrutiny of compliance with CQC standards. At least one member of the Audit Committee should have recent and relevant financial experience (Code of Governance D2.1)

3. Independence

Non-Executive Directors must be able to demonstrate independence (Code of Governance B2.6)

4. Diversity

When appointing to Board positions, applicants from underrepresented backgrounds, with appropriate merit will be encouraged, and every effort will be made to ensure that interview panels are diverse. The Trust may also introduce Associate Non-Executive Director roles to increase diversity and provide development opportunity through the NeXT Director Scheme.

5. Values & Behaviours

All Board members must demonstrate those values & behaviours that are consistent with the Trust values (IMPACT) and be compliant with the Code of Conduct for Board Directors and Fit & Proper Persons Regulations.

6. Skills and Competencies Required of Non-Executive Directors

[NED2 About the ned role final.pdf \(england.nhs.uk\)](#)

NEDs play a crucial role in bringing an independent perspective to the Boardroom in addition to any specific knowledge and skills they may have.

Roles and responsibilities of the non-executive directors will work alongside other non-executives and executive directors as an equal member of the board. They share responsibility with the other directors for the decisions made by the board and for success of the organisation in leading the local improvement of healthcare services for patients. Non-executives use their skills and personal experience as a member of their community to:

Formulate plans and strategy

- Bring independent judgement, external perspectives, and advice on issues of strategy, vision, performance, resources, and standards of conduct and constructively challenge, influence and help the executive board develop proposals on such strategies to enable the organisation to fulfil its leadership responsibilities to patients, for healthcare of the local community.
- Assist fellow directors in setting the trust's values and standards and ensure that its obligations to its stakeholders and the wider community are understood and fairly balanced at all times.

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Ensure accountability

- Ensure that the board sets challenging objectives for improving its performance across the range of its functions.
- Hold the executive to account for the delivery of strategy.
- Provide purposeful, constructive scrutiny and challenge.
- Chair or take part as a member of key committees that support accountability.
- Contribute to the determination of appropriate levels of remuneration for executive directors.
- Being accountable individually and collectively for the effectiveness of the board.
- Accept accountability to NHS England for the delivery of the organisation's objectives and ensure that the board acts in the best interests of patients and its local community.

Shape culture and capability

- Ensure that patients and service users are treated with dignity and respect at all times, and that the patient is central to trust decision-making.
- Actively support and promote a healthy culture for the organisation which is reflected in their own behaviour.
- Ensure that the organisation values diversity in its workforce and demonstrates equality of opportunity in its treatment of staff and patients and in all aspects of its business.
- Provide visible leadership in developing a healthy culture so that staff believe nonexecutive directors provide a safe point of access to the board for raising concerns.
- Ensure the directors of the board are 'fit and proper' for the role and champion an open, honest, and transparent culture within the organisation.

Context

- As a member of board committees, appoint, remove, support, encourage and where appropriate 'mentor' senior executives.
- Mentor less experienced non-executive directors where relevant. Process, structures and intelligence
- Commit to working to, and encouraging within the trust, the highest standards of probity, integrity and governance and contribute to ensuring that the trust's internal governance arrangements conform with best practice and statutory requirements.
- In accordance with agreed board procedures, monitor the performance and conduct of management in meeting agreed goals and objectives and statutory responsibilities, including the preparation of annual reports and annual accounts and other statutory duties.
- Ensure that financial information is accurate, that financial controls and risk management systems are robust and defensible, and that the board is kept fully informed through timely and relevant information (you may be asked to sit on the audit committee on behalf of the board).
- Satisfy themselves of the integrity of reporting mechanisms, and financial and quality intelligence including getting out and about, observing and talking to patients and staff.
- Provide analysis and constructive challenge to information on organisational and operational performance.

Engagement

- Ensure that the board acts in best interests of patients and the public.
- Be available to staff if there are unresolved concerns.
- Show commitment to working with key partners.
- Act as an ambassador for the trust in engagement with stakeholders including patients and the local community, dealing with the media when appropriate.

When considering the appointment of non-executive directors, the Council of Governors shall take into account the views of the Board of Directors on the qualifications, skills and experience

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required for each position.

The NHS Leadership Competency Framework (for Board members) supplements the above and has been aligned to the NHS Values (bold):

Working together for patients*	Compassion
Building a trusted relationship with partners and communities	Creating a compassionate, just and positive culture
Respect and dignity	Improving lives
Promoting equality and inclusion and reducing health and workforce inequalities	Setting strategy and delivering long term transformation Driving high quality sustainable outcomes
Commitment to quality of care	Everyone counts
Driving high quality and sustainable outcomes Setting strategy and delivering long term transformation	Promoting equality and inclusion and reducing health and workforce inequalities Creating a compassionate, just and positive culture
Providing robust governance and assurance	

*Wherever the word "patient" is used in this document, this refers to patients, service users and carers.

7. Additional Skills and Competencies Required of the Chair

In leading the board, the chair should set clear expectations about the style and tone of board discussions, ensuring it has effective decision-making processes and applies sufficient challenge in conducting its business. This requires an ability to foster relationships based on trust, mutual respect and open communication between non-executive directors and the executive team, and between the unitary board and its key partners (both internal and external).

Strategic

- Leads the board in setting a deliverable strategy.
- Takes account of internal and external factors to guide decision-making sustainably for the benefit of patients and service users.
- Provokes and acquires new insights and encourages innovation.
- Evaluates evidence, risks and options for improvement objectively.

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- Builds organisational and system resilience, for the benefit of the population of the systems as a whole.

People

- Creates a compassionate, caring, and inclusive environment, welcoming change, and challenge.
- Builds an effective diverse, representative, and sustainable team focused on patients and service users.
- Ensures all voices are heard and views are respected, using influence to build consensus and manage change effectively.
- Supports, counsels, and acts as a critical friend to directors, including the chief executive.
- Develops a board that is genuinely connected to and assured about staff and patient experience.

Professional acumen

- Owns governance, including openness, transparency, probity, and accountability.
- Understands and communicates the trusts regulatory and compliance context.
- Leverages knowledge and experience to build a modern sustainable board for the benefit of patients and service users.
- Applies financial, commercial, and technological understanding effectively.

Partnerships

- Develops external partnerships with health and social care system stakeholders.
- Demonstrates deep personal commitment to partnership working and integration.
- Promotes collaborative, whole system working for the benefit of patients / service users.
- seeks and prioritises opportunities for collaboration and integration for the benefit of the population of the system as a whole.

Outcomes focus

- Creates an environment in which clinical and operational excellence is sustained.
- Embeds a culture of continuous improvement and value for money.
- Prioritises issues to support service improvement for the benefit of the population of the system as a whole, ensuring patient safety, experience and outcomes remain the principal focus.
- Measures performance against constitutional and CQC 'Well-Led' standards

8. Composition of the Board

In accordance with the Constitution, the Foundation Trust Non-Executive Directors will comprise:

- A Non-Executive Chair
- Not less than four but not more than six other non-executive directors, provided that at any time the aggregate number of non-executive directors (excluding the Chair) is not less than half of the number of members of the Board of Directors.

One of the non-executive Directors will be appointed the Deputy Chair in accordance with the procedure set out in the constitution (para 22).

The Board may appoint a Senior Independent Director from amongst the NEDs as set out in the constitution (para 23).

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9. Appointing NEDs and Terms of Office

The process for appointing (and removing) Non-Executive Directors is set out in the Foundation Trust Constitution.

The Code of Governance recommends that NEDs, including the Chairman, should be appointed by the Council of Governors for specified terms subject to re-appointment thereafter at intervals of no more than three years. Any term beyond 6 years should be subject to rigorous review and take account of the need for progressive refreshing of the Board (provision C4.3). In exceptional circumstances, NEDs may serve longer than 6 years, subject to annual re-appointment, but serving more than six years could be relevant to the determination of a NED's independence. (Provision B2.6). Any extension beyond 6 years requires the support of the Integrated Care Board and NHSE approval. The establishment of ICBs has meant that NHSE have been on the role of ICBs in reviewing and supporting any proposed Board member recruitment, selection of extension. Such engagement would take place in advance of COG engagement.

10. Endorsed By:

Name of Lead Clinician / Manager or Committee Chair	Position of Endorser or Name of Endorsing Committee	Date
Ben Vinter	Director of Risk and Corporate Governance	June 2024

11. Record of Changes

Section No	Version No	Date of Change	Description of Amendment	Description of Deletion	Description of Addition	Reason