MEMORANDUM OF UNDERSTANDING

**Division of Responsibilities between
the Chair of the Trust and the Chief Executive**

This Memorandum of Understanding between the Chair and Chief Executive of the Leeds and York NHS Foundation Trust sets out our differing and complementary leadership roles.

We have drawn on best practice in Chair and Chief Executive relationships including guidance contained in NHSI/E *NHS Foundation Trust Code of Governance* (2010*)* and the Institute for Company Secretaries Association (ICSA) Guidance.

In accordance with best practice we believe that as Chair and Chief Executive it is essential that we are clear about our respective roles. We agree that at the broadest level the Chair's role is to lead the Board of Directors to ensure that the organisation has the vision, strategy and resource in place to deliver the objectives of the Trust and to create the conditions for good governance. The Chair is also responsible for leading the Council of Governors and ensuring that governors understand their role and have the resources information and knowledge necessary to discharge their duties. The Chief Executive's role is to lead the executive team and ultimately ensure that the Board's vision and strategy is achieved and that all risks are effectively managed. (These duties are expanded on in the NHS Foundation Trust Accounting Officer Memorandum.)

We acknowledge that the Chair's role is not an executive one and therefore does not require becoming involved in the day-to-day running of the organisation. We both respect the authority of the Board as the ultimate decision-making body in the Trust, whilst at the same time accepting that the Chief Executive in the capacity as Accounting Officer has a personal responsibility to Parliament for the overall performance and conduct of the organisation. Further clarification of each of these roles is provided in the document attached.

We have a shared role in communicating with external audiences and stakeholders, including NHS England, but agree that the Chief Executive will take the lead in communicating with external parties about performance issues in the Trust.

We recognise that the way in which we conduct ourselves individually and together has a significant impact on the effectiveness of the Board of Directors and the Council of Governors and on the culture of the organisation. We will therefore strive to behave consistently with this Memorandum and reflect the values of the organisation at all times. However, we understand that whilst roles can be clarified and allocated, in practice they can be interpreted differently and/or there can be a blurring of boundaries as particular situations and needs arise. Therefore, as Chair and Chief Executive we are committed to ongoing discussions about our roles, and to seeking feedback from Board colleagues

from time-to-time, including regularly reflecting on the extent to which we are each operating consistently with the role specifications outlined in this Memorandum.

Signed by   Signed by

Merran McRae   **Dr Sara Munro**
Chair of the Trust   **Chief Executive**

Date:9/1/23   Date:11/1/23

ROLE OF THE CHAIR OF THE TRUST

The Chair reports to the Board of Directors and is accountable to the Council of Governors. They will be responsible for:

1 Board of Directors

1.1 Chairing meetings of the Board of Directors and those of the Board's sub-committees namely (but not to the exclusion of any future committees) the Nominations Committee and the Remuneration Committee.

1.2 Managing the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings and that in all respects it functions as a unitary Board.

1.3 Setting the Board agenda, taking into account the issues and concerns of all directors and the Council of Governors. The agenda should be forward looking, concentrating on strategic matters and taking into account the important matters facing the Trust both internally and externally.

1.4 Ensuring there is appropriate delegation of authority from the Board to the Executive Team.

1.5 Ensuring the effective implementation of Board decisions.

1.6 Ensuring that directors receive accurate, timely and clear information, including that on the Trust's current performance, to enable the Board to take sound decisions, monitor and scrutinise effectively and provide advice to promote the success and sustainability of the Trust.

1.7 Managing the Board to allow enough time for discussion of complex or contentious issues. The Chair should ensure that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.

1.8 Arranging informal meetings of the Directors to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.

1.9 Ensuring that the Board as a whole plays a full part in the development and determination of the Trust's strategy and overall objectives.

1.10 Proposing the membership and the Chairs of Board Committees.

1.11 Building an effective, complementary and unitary Board.

2   Directors

2.1   Facilitating the effective contribution of directors and encouraging active engagement by all members of the Board.

2.2   Promoting effective relationships and open communication between executive and non-executive directors, both inside and outside the boardroom, ensuring an appropriate balance of skills and experience.

2.3   Holding meetings with the non-executive directors without the executive directors being present.

2.4   Establishing a close relationship of trust with the Chief Executive providing support and advice whilst respecting executive responsibility.

2.5   Overseeing the application of the Board of Directors' Code of Conduct and if in the Chair's opinion an individual director has failed to observe any part of the code take such action as may be deemed immediately necessary until the matter is investigated or resolved.

2.6   Ensuring that the Non-Executive Directors understand their accountability, individually and collectively, to the Council of Governors for the performance of the Board.

2.7   Initiating succession planning measures at Board level with the Nominations Committee to ensure appropriate Board composition and refreshment.

3   Council of Governors

3.1   Providing leadership for the Council of Governors.

3.2   Chairing meetings of the Council of Governors and those sub-committees of the Council, namely (but not to the exclusion of any future committees) the Appointments and Remuneration Committee.

3.3   Managing the Council of Governors ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.

3.4   Facilitating the effective contribution of all governors.

3.5   Ensuring that the Council of Governors receives accurate, timely and clear information and that the views of governors are communicated to the Board as a whole so that all directors (particularly the non-executive directors) develop an understanding of their views.

4   Governors

4.1   Ensuring effective communication with individual governors and that the Board of Directors and Council of Governors work together effectively and constructively

4.2   Maintaining sufficient contact with governors to understand their issues and concerns, in particular discussing governance and strategy with them.

4.3   Overseeing the Governors' Code of Conduct and if in the Chair's opinion the individual has failed to observe any part of the Code the Chair is authorised to take such action as may be deemed immediately necessary including suspension until the matter is resolved.

5   Induction, development and performance evaluation

5.1   Ensuring that all new non-executive directors and new governors participate in a full, formal and tailored induction programme.

5.2   Ensuring that the development needs of directors (in particular non-executive directors) are identified and met. (Members of the Board should be able to continually update their skills and the knowledge and familiarity of the Trust and the healthcare environment in which the Trust operates as required to fulfil their role on the Board and its sub-committees).

5.3   Regularly evaluating the performance of the Chief Executive.

5.4   Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team.

5.5   Ensuring the performance of the Board, its sub-committees and individual directors (in particular the Chief Executive and the non-executive directors) are evaluated at least once a year; acting on the result of such evaluation by recognising the strengths and addressing the weaknesses of the Board.

5.6   Where appropriate through the Nominations Committee, proposing that new members of the Board are appointed to the Board or overseeing the resignation of others.

5.7   Reporting on the outcome of the appraisal of the non-executive directors to the Council of Governors.

5.8   Ensuring that the performance of the Council of Governors as a whole, its sub-committees and individual governors is periodically assessed.

5.9   Ensuring that governors both individually and collectively have the skills, knowledge and familiarity with the Trust to effectively fulfil their role.

6   Governance

6.1   Upholding the highest standards of integrity and probity

6.2   Setting the agenda style and tone of Board of Directors and Council of Governors' meetings to promote effective decision making and constructive debate.

6.3   Ensuring a clear structure for, and the effective running of, Board and Council sub-committees.

6.4   With the assistance of the Associate Director for Corporate Governance, promote the highest standards of corporate governance, seeking full compliance with the Code of Governance and the Trust's Constitution.

6.5   Ensuring a good flow of information each way between the Board of Directors, Board Committees, the Council of Governors and non-executive directors

6.6   Ensuring respective compliance with the Board of Directors and the Council of Governors' approved procedures.

7   System

7.1   Provides strategic input into ICS and ICP system governance arrangements, including chairing the WYMHLA&A Committee-in-Common (on a rotational basis)

The Chair's direct reports are the Chief Executive, the non-executive directors and the Associate Director for Corporate Governance on Board governance matters. Other than the Chief Executive no executive director will report directly to the Chair.

ROLE OF THE CHIEF EXECUTIVE

Within the authority limits delegated by the Board, and not to the exclusion of any duty detailed in NHSI/E Accounting Officer Memorandum, the Chief Executive reports to the Chair and the Board of Directors and is responsible for:

1 Business Strategy and Management

1.1 Developing the Trust's objectives and strategy having regard to its responsibilities to service users, carers, staff, governors, members, partners and other stakeholders.

1.2 The successful achievement of objectives and execution of strategy following presentation to and approval by the Board of Directors and Council of Governors.

1.3 Recommending to the Board an annual budget and forward plan and ensuring their achievement following Board approval.

1.4 Optimising as far as is reasonably possible the use the Trust's resources.

2 Investment and Financing

2.1 Examining all major capital expenditure proposed and the recommendation to the Board of Directors of those which are material either by nature or cost.

2.2 Identifying and executing acquisitions and disposals, approving major proposals or bids.

2.3 Identifying and executing new business opportunities.

3 Risk Management and Controls

3.1 Managing the Trust's risk profile in line with the extent and categories of risk identified as acceptable by the Board.

3.2 Ensuring appropriate internal controls are in place.

4 Board Sub-committees

4.1 Making recommendations to the Remuneration Committee on remuneration policy, executive remuneration and terms of employment of the executive directors.

4.2   Making recommendations to the Nominations Committee on the role and capabilities required in respect of the appointment of executive directors.

5   Communication

5.1   Providing a means for timely and accurate disclosure of information, including an escalation route for issues.

5.2   Ensuring effective communication with governors.

6   Human Resources

6.1   Setting Trust HR policies, including management development and succession planning for the Executive Team and approving the appointment and termination of employment of members of that team in conjunction with the Nominations Committee.

The duties which derive from these responsibilities include:

- Leading the executive directors in the day-to-day running of the Trust's business, including chairing the Executive Team meetings and communicating decisions / recommendations to the Board.

- Ensuring effective implementation of Board decisions.

- Facilitating and supporting effective joint working between the Board of Directors and Council of Governors;

- Providing input to the Board of Directors' agenda on behalf of the Executive Management Team.

- Regularly reviewing operational performance and the strategic direction of the Trust's business.

- Regularly reviewing the Trust's organisational structure and recommending changes as appropriate.

- Formalising the roles and responsibilities of the Executive Team, including clear delegation of authority.

- Ensuring that all policies and procedures are followed and conform to the highest standards.

- Communicating the expectations of the Board concerning culture, values and behaviours to all employees;

- Together with the Chair of the Trust, providing coherent leadership of the Trust, including representing the Trust and ensuring there is effective communication

in place with service users, carers, staff, governors, members, regulators, partners, stakeholders, commissioners, community and the public.

- Keeping the Chair of the Trust informed on all important, complex, contentious or sensitive matters; proposing agenda items accordingly.

- Ensuring that the Executive Team provides accurate, timely and clear information to the Board of Directors and Council of Governors.

- Ensuring the development needs of the executive directors are identified and met, including a properly constructed induction programme and appraisal process.

- Promoting and conducting the affairs of the Trust with the highest standards of integrity, probity and corporate governance.

- Provides strategic input to the West Yorkshire ICS and the Leeds system, being responsible for participating in various Boards and system level meetings as requested; reporting back to the Board of Directors as required.

The Chief Executive's direct reports are the executive directors and the Associate Director for Corporate Governance and the Freedom to Speak up Guardian.

The Chief Executive reports to the Chair of the Trust and the Board of Directors directly.