Proposals for new Governance and Committee Structure

Summary and Background for Members

The current Faculty Board of Trustees has discussed its governance arrangements regularly over the years. A potential new Board and Committee structure was discussed at the Away Day in October 2015. Following initial consultation with members, the Board proposed the next steps at the April 2016 Board meeting. A simple survey was conducted in order to encourage wider participation.

Members had the opportunity to discuss these proposals at the AGM on 29 June 2016. An independent poll of all members will be conducted in order to decide the optimum changes to governance structures.

The key criteria upon which these were based are:

- To ensure the Board has the required skill set to manage the strategic direction of the charity;
- To ensure there are clearly defined boundaries between responsibility for charity governance and charity management;
- To make best use of the time and professional skills of the Occupational Physicians who contribute to the Faculty, making the roles, responsibilities and workloads of Officers and volunteers clear, reasonable and achievable. (This is a very small specialty, and it is becoming increasingly difficult to attract members to take up positions on our numerous committees and to volunteer to undertake responsibilities such as examiner);
- To ensure there are robust and transparent lines of responsibility and accountability throughout the committee structures;
- To ensure there is majority member representation throughout;
- To ensure there is capacity for succession-planning;
- To work within a reasonable model of meetings and communication vehicles.

Please see the Appendix for additional information about the role of the Board of Trustees, the CEO and Staff, including the difference between governance and management.
The Proposal

The Board is proposing a new Governance and Committee structure on the basis of these criteria. These are a Board of Trustees, a Council and an Executive staff team.

1. **Board of Trustees** (meets 4 x per year after Council meetings)

The Board will comprise a maximum of 12 Trustees, with 2 lay members and up to 3 additional co-opted members.

The seven elected members and 2 x lay representatives would identify any requirement for non-members to be co-opted in line with skill-set requirements or particular business priorities. **Such co-opted members, as with all trustees, would be unpaid volunteers.**

The majority of members who expressed a view prefer that the Academic Dean and Registrar roles are elected in future, rather than appointed:

- **Chair (President)** – elected by the members
- **Treasurer** – elected by the members
- **Elected member** (to be on the appointment panel for the Director of Training, Director of Assessment and any other appointed role, including the CEO)
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- **Lay Representative** (Employees)
- **Lay Representative** (Employers)
- **Academic Dean** – elected by the membership
- **Registrar** – elected by the membership
- **3 x Potential Co-Opted Non-Members**, (eg skills in business, charity experience etc)

2. **Executive Team** (staff)

The CEO and senior staff are responsible for the day-to-day management of the Faculty. The CEO reports to the Board of Trustees, which appoints the post-holder (see above). Line management of the CEO is undertaken by the Registrar.

- **CEO**
- **Head of Finance**
- **Head of Professional Standards / Business Development**
- **Head of Communications and Policy**
3. **Council** (meets 4 x per year before Board meetings)

There will be up to 15 members, including one lay member:

- Academic Dean / Chair of Committee (elected by the membership, as above)
- Registrar (elected by the membership, as above)
- Director of Assessment, Director of Training and Director of Quality Improvement. (all appointed by the Board appointments panel of elected members, as above, including, in addition, the elected Academic Dean and / or elected Registrar)
- Responsible Officer (appointed by the Board)
- Trainee Member (elected by the members)
- Scotland Member (elected by the members)
- Wales Member (elected by the members)
- NI Member (elected by the members)
- Affiliate member (elected by the members)
- Associate Member (elected by the members)
- Lay representative (co-opted)
- CPD Lead
- Other (TBC, eg Chief Examiner)

**Faculty Committees and Subcommittees**

The Faculty has a number of Committees and Subcommittees. The Ethics, Fellowship and Honours, and the Clinical Excellence Awards Committees report to the Board annually.

The Faculty also has committees such as the SAC, RSA, Designated Body Sub-Committee and various examination-related committees. These would continue to meet as now, although with fewer face-to-face meetings and more webinar meetings. These committees report to the Council. The new Board and Council may wish to review these committees once they are in place.
Conclusion

1. Good practice suggests that effective Boards are comparatively small. The current Faculty Board felt it would be important to members to have the majority of its number as members, while recognising the need to bring other skills and experience onto the new Board. Allowing the new Board to appoint external experts, as well as lay representatives, matches well the structure of the most successful charity, college and society boards. It is usual for the Board of Trustees to meet quarterly.

2. The new structure removes the current Executive Committee and day-to-day management is delegated to the CEO and her/his staff, as would be the case here. This also removes the need for 8 x annual Executive Committee meetings, which are time consuming for members and staff.

3. The Council is the professional committee. Chaired by the Academic Dean, this committee of Occupational Physician members is responsible for advising the Board on the strategic direction of the Faculty’s education and training objectives and all professional matters. The Council, through its knowledge of the specialty, has the potential to lead on and influence key strategic aims as detailed in the FOM’s strategic plan.

Such arrangements allow for the core Trustees to take financial and legal responsibility for the strategic direction of the organisation (with no personal liability in the case of the FOM). The Board can focus on high-level decisions and key business goals, the implementation of which is delegated to the CEO and her team. The Board can also consider all matters and issues that emerge from the Council. At times, major change in strategic direction would naturally follow consultation with members and, for some proposals, a vote by members at an AGM or EGM.

Judith Willetts, June 2016, on behalf of the Board.
Effective governance brings many benefits. Amongst other things, it can:

- keep the organisation true to its identity, vision and values;
- motivate staff and members through exhibiting quality leadership;
- contribute to the impact of the work undertaken by the organisation;
- reassure members about the way the organisation is being run.

Boards set the long term vision and protect the reputation and values of their organisations. To make a difference a Board needs to have proper procedures and policies in place but it also needs to work well as a team and have good relationships within the organisation.

The Charity Commission has issued guidance saying that it is essential that the trustee Board has the knowledge, experience and appropriate skills mix needed to meet the goals of the charity, including strategic planning and business development, and that it is important to identify ‘gaps’ in the current skills and experience of the board. The trustee Board has the final responsibility for the financial, business and legal aspects of the Faculty. Medical members will always be in the majority.

Governance is about leadership and ensuring that an organisation is effectively and properly run. Good governance is the Board’s responsibility - it covers more than the Board’s duties and responsibilities. It includes how the Board is appointed and supported; how it works to ensure decisions are taken properly and the work of the charity is effective and furthering its purposes.

The formal, legal responsibilities of the Board include a 'duty of compliance':

- with charity law and the requirements of the regulator (Charity Commission);
- with the rules, and charitable purpose and objects of the organisation’s governing document;
- with the requirements of other legislation and regulators (if any) which govern the charity’s activities;
- acting with integrity, avoiding conflicts of interest, or misuse of funds or assets.

The responsibilities of the Board also include undertaking a ‘duty of prudence’, which essentially means taking good care of the charity’s funds and assets, investing them wisely and not putting them at undue risk. The third duty is a ‘duty of care’, which means that trustees need to use reasonable care and skill to ensure the charity is well-run and efficient, getting outside help when necessary.

It is good practice for the Board of Trustees to keep abreast of its responsibilities and to examine its performance. The Board must keep up to speed with changes in charity law and ensure it is well-informed. Sometimes trustees require specific training, which the Faculty should provide. Usually, the CEO has responsibility for ensuring trustees apply good governance practice and advises the Board accordingly, ensuring its members have access to relevant information. Opportunities to review and discuss strategy and ideas outside the regular Board meetings are also considered excellent practice.
When considering the governance role in relation to the role of management, there is sometimes a fine line between the two. There are areas where there may be overlap between what trustees do and what staff do, and the boundaries between the two are not always that clear.

Often there is a lack of clarity and an overlap in the roles of the Board and the executive, the latter being the CEO and staff, in relation to policy, people management, governance oversight, decision making and monitoring performance.

Many Boards under-perform by failing to carry out their primary role of attending to strategy and the long term-view, rather than operations and short-term concerns.

The diagram below illustrates the roles of governance and management:

The Board of Trustees, as the directors of the charity, often comprise elected and appointed members in addition to co-opted individuals from outside the membership who bring additional skills and experience to the board. (For some charities, this often involves someone with fundraising knowledge. For the FOM, individuals with business, marketing, HR or charity skills might be appropriate.) Having a small, dynamic charity Board enables the professional business of the Faculty to be overseen by a separate group that does not have to spend time on charity governance.

In many organisations, this professional committee is called the Council. It is comprised of members. It represents the membership and considers professional and related matters of importance to the professional body. The Council reports to the Board of Trustees. It makes recommendations to the Board and keeps it informed of all matters relating to the core business of the charity, which, for the Faculty, centres on education, training, professional development and professional standards.

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Information about the new governance structure on which you are voting is available here [LINK]. During three rounds of consultation with members the most frequently asked questions were about authority and decision-making. We have outlined for information the answers to these queries below.

Q: Who has authority for strategy and decision-making? Does the new structure pass autonomy for decisions about Faculty strategy to the Chief Executive and staff?
A: No, the responsibility for making the Faculty’s strategy does not change with the new structure. As before, the overall strategic planning is the role of the Board, who set the annual plan and monitor progress against it at successive Board meetings. Input on specific professional issues will come from the new Council. The CEO and staff carry out the strategic plan and report back to the Board.

Q: Why do we need up to 5 lay members?
A: We already have two lay Board members and the proposals give the Board the option to co-opt individuals (up to three) with skill sets that are needed or that complement the Board. This is good practice, as recommended by the Charity Commission. We represent employees and employers. Having these groups represented on the Board is logical. Co-opting additional expertise to be active, committed members of the Board will assist with strategic planning and monitoring. No trustees are paid for their contribution.

Q: How long has the FOM been a charity?