

**MINUTES OF THE EXTRAORDINARY COUNCIL OF GOVERNORS MEETING  
HELD ON TUESDAY 7 JULY 2020, FROM 3.45 – 4.40PM  
THIS MEETING WAS A VIRTUAL TEAMS MEETING**

<b>PRESENT</b>	<p>Caroline Maley Valerie Broom Susan Ryan Lynda Langley Julie Lowe Carole Riley Orla Smith Andrew Beaumont Julie Boardman Carol Sherriff Kevin Richards Rosemary Farkas Marie Hickman Kel Sims April Saunders Farina Tahira Jo Foster Al Munnien David Charnock Angela Kerry Rachel Bounds Roy Webb</p>	<p>Trust Chair and Chair of Council of Governors Public Governor, Amber Valley Public Governor, Amber Valley Public Governor, Chesterfield and Lead Governor Public Governor, Derby City East Public Governor, Derby City East Public Governor, Derby City West Public Governor, Erewash (<i>via telephone</i>) Public Governor, High Peak and Derbyshire Dales Public Governor, High Peak and Derbyshire Dales Public Governor, South Derbyshire Public Governor, Surrounding Areas Staff Governor, Admin and Allied Support Staff Staff Governor, Admin and Allied Support Staff Staff Governor, Allied Professions Staff Governor, Medical Staff Governor, Nursing Staff Governor, Nursing Appointed Governor, University of Nottingham Appointed Governor, Derbyshire Mental Health Forum Appointed Governor, Derbyshire Voluntary Action Appointed Governor, Derby City Council</p>
<b>IN ATTENDANCE</b>	<p>Margaret Gildea Geoff Lewins Justine Fitzjohn Leida Roome</p>	<p>Non-Executive Director and Senior Independent Director Non-Executive Director Trust Secretary Personal Secretary (note taker)</p>
<b>APOLOGIES</b>	<p>Adrian Rimington Stuart Mourton Cllr Jim Perkins Rob Poole Christopher Williams Denise Baxendale</p>	<p>Public Governor, Chesterfield Public Governor, Derby City West Appointed Governor, Derbyshire County Council Public Governor, Bolsover and North East Derbyshire Public Governor, Erewash Membership and Involvement Manager</p>

<b>ITEM</b>	<b><u>ITEM</u></b>
DHCFT/EGOV /2020/001	<p><b><u>WELCOME, INTRODUCTIONS, CHAIR'S OPENING REMARKS, APOLOGIES FOR ABSENCE &amp; DECLARATION OF INTERESTS</u></b></p> <p>Caroline Maley welcomed all to the meeting. She was pleased to note that a number of governors had attended the first live stream of the Board meeting that morning as observers.</p> <p>This extraordinary Council of Governors meeting was convened in order to discuss and agree the appointment of the new Trust's External Auditors, the re-appointment of Geoff Lewins as a Non-Executive Director and the re-appointment of Caroline herself, as Chair.</p> <p>Apologies were noted as above.</p> <p>The following declarations of interest were made:</p> <ul style="list-style-type: none"> <li>• Geoff Lewins declared an interest in item three of the agenda and agreed to leave the meeting at that point.</li> </ul>

	<ul style="list-style-type: none"> <li>• Caroline Maley declared an interest in item four of the agenda and agreed to leave the meeting at that point and hand over to Margaret Gildea, Senior Independent Director to chair the rest of the meeting.</li> </ul>
<p><b>DHCFT/EGOV /2020/002</b></p>	<p><b><u>APPOINTMENT OF THE TRUST'S EXTERNAL AUDITORS</u></b></p> <p>Geoff Lewins, Chair of the Trust's Audit and Risk Committee, explained the background to the proposal to directly award the contract for the provision of external audit services to Mazars LLP.</p> <p>The Council of Governors noted that Grant Thornton has been the Trust's External Auditor since 2012 and earlier this year they served notice of their intention to end the contract early for commercial reasons; the contract had been due to run until October 2021. They have agreed to continue to provide an external audit service to the Trust until September and will present their final report on the 2019/20 audit to the Council of Governors on 1 September. Governors were reminded that it is a statutory requirement to have an External Auditor and also a statutory duty of the Council of Governors to appoint the Trust's External Auditor.</p> <p>Geoff explained that the professional advice from the Trust's procurement lead was to pursue a direct award of the contract to Mazars LLP, the only other company that had bid for the contract in 2018. The recommendation was primarily based on market conditions but also due to timescales which would have been impacted by COVID-19. It was noted that the compliant Official Journal of the European Union (OJEU) framework allows for direct award and therefore the contract would be fully compliant with all legal requirements.</p> <p>A working group had been set up involving the Chair of the Audit and Risk Committee, the Deputy Chief Executive and Director of Finance, the Trust Secretary and five governors. Mazars presented its detailed proposal to this group and the group was able to ask questions and received assurance around the company's capacity and capability as well as value for money.</p> <p>Based on the recommendation of the above group, the Audit and Risk Committee supported the proposal to directly award the contract for the provision of external audit services to Mazars LLP at its meeting on 2 July.</p> <p>Lynda Langley, as a member of the working group, added that she had undertaken some research which also showed that several audit firms are not taking on external audit work. She felt that the presentation from Mazars was clear and concise and Mazars had a number of NHS clients which were listed in the proposal. Kevin Richards, also a member of the working group, said he was impressed by the presentation from Mazars, noting that indicative pricing from other audit firms was higher than Mazars bid. He also reported that Derbyshire County Council had just appointed Mazars to be their external auditor.</p> <p>Kelly Sims, who had been on the working group during the 2018 bid stated that the proposal from Mazars was much improved from last time and any concerns that she had at the time have been alleviated.</p> <p>Geoff thanked Lynda, Kevin and Kelly for their comments and noted that other group members felt that Mazars provided a professional clear and succinct proposal.</p> <p>Roy Webb commented that some bad advice had been given by auditors recently but he had not heard anything detrimental about Mazars but raised slight concerns about this. Justine Fitzjohn, in response, gave some reassurance around the strict regulatory regime that controlled the profession and also that Mazars is currently working with neighbouring trusts such as United Hospitals of Derby and Burton, Birmingham Specialist Mental Health Trust, Nottinghamshire Healthcare as well as Walsall Trust. Mark Surridge, who is the responsible director at Mazars, has worked for other auditors and has a lot of NHS experience. Performance indicators and</p>

	<p>restrictive practices were also shared.</p> <p>Susan Ryan queried whether, if Mazars performed poorly, there would be a financial penalty and/or a get out clause. Justine responded that as well as appointing the external auditor, the Council of Governors also has the power to remove them. This would be done on referral of the Audit and Risk Committee which monitors the contract performance.</p> <p>Geoff put forward the joint recommendation from the Audit and Risk Committee the working group to appoint Mazars LLP as the Trust's external auditor via the direct award of the contract for the provision of external audit services to the Trust.</p> <p><b>RESOLVED: The Council of Governors</b></p> <p><b>1. Approved the direct award of the contract for the provision of external audit services to Mazars LLP for an initial term of three years commencing on 1 September 2020, with an option to extend for one year plus one year.</b></p> <p><i>Geoff Lewins declared an interest in the next agenda item and left the meeting at this point at 16.07 hours.</i></p>
<p><b>DHCFT/EGOV /2020/003</b></p>	<p><b><u>RE-APPOINTMENT OF NON-EXECUTIVE DIRECTOR</u></b></p> <p>Caroline Maley put forward a recommendation from the Nominations and Remuneration Committee to re-appoint Geoff Lewins for a second term of office.</p> <p>Caroline confirmed her full support for his re-appointment, noting the benefit of continuity and stability to the Board and that Geoff continues to make a significant contribution, particularly in his role as Chair of the Trust's Audit and Risk Committee.</p> <p>Kevin Richards moved the recommendation, which was seconded by Roy Webb. The Council of Governors unanimously supported his re-appointment. The Council of Governors noted the Committee's deliberations on remuneration against the new structure issued by NHS Improvement (NHSI) and agreed that his current remuneration should be carried over.</p> <p><b>RESOLVED: The Council of Governors</b></p> <p><b>1. Approved the re-appointment of the Geoff Lewins, as Non-Executive Director and Chair of the Audit and Risk Committee, for a second three year term of office commencing on 1 December 2020 with an annual remuneration of £15,138.</b></p> <p><i>Caroline Maley declared an interest in the next agenda item and left the meeting at this point at 16.11.</i></p> <p><i>Margaret Gildea took over chairing the meeting at this point.</i></p>
<p><b>DHCFT/EGOV /2020/004</b></p>	<p><b><u>RE-APPOINTMENT OF TRUST CHAIR</u></b></p> <p>Margaret Gildea, Senior Independent Director, put forward a recommendation from the Nominations and Remuneration Committee to re-appoint Caroline Maley as Trust Chair for a further 12 month term, on expiry of her current term on 13 September 2020.</p> <p>The Council of Governors noted the Chief Executive's and wider Board's support for Caroline's re-appointment, noting the benefit of continuity and stability particularly during the current circumstances.</p> <p>Margaret reported that, through the appraisal process the governors have confirmed that Caroline continues to make a significant contribution to the Trust in leading the Board and the Council of Governors.</p> <p>Lynda Langley added that Caroline has made a very positive difference to the Trust; staff know her and the Trust is well led and she supported the re-appointment.</p>

	<p>Again, the Council of Governors noted the Committee’s deliberations on remuneration against the new structure issued by NHSI and agreed that her current remuneration should be carried over on re-appointment but the situation would be reviewed for the recruitment of a new Trust Chair.</p> <p>Julie Lowe moved the recommendation which was seconded by Roy Web and the proposal was unanimously supported.</p> <p>Kel Sims commented that a year will soon fly by and it is always a time consuming process and difficult decision to appoint a new chair and governors need to therefore start to think about this. Justine Fitzjohn, in response, suggested that Caroline be asked to notify the Trust of her intentions no less than six months before her new term ends and agreed to schedule a Nominations and Remuneration Committee meeting in March 2021 to agree on a process.</p> <p><b>RESOLVED: The Council of Governors</b></p> <p><b>1. Approved the re-appointment of Caroline Maley as Trust Chair for a 12 month term of office commencing on 14 September 2020 with an annual remuneration of £50,000 inclusive of mileage.</b></p>
<p><b>DHCFT/EGOV /2020/005</b></p>	<p><b><u>ANY OTHER BUSINESS</u></b></p> <p>No other business was raised.</p>
<p><b>DHCFT/EGOV /2020/006</b></p>	<p><b><u>REVIEW OF THE MEETING EFFECTIVENESS AND FOLLOWING THE PRINCIPLES OF THE CODE OF CONDUCT</u></b></p> <p>The Council of Governors agreed that the meeting was effective.</p>
<p><b>DHCFT/EGOV /2020/007</b></p>	<p><b><u>CLOSE OF MEETING</u></b></p> <p>Margaret Gildea thanked all those present for their input and attendance and closed the meeting at 4.40pm.</p> <p>Date and time of next meeting: <b>Tuesday 1 September 2020, from 2pm</b> – this is likely to be a virtual meeting.</p>