

Healthwatch Pathfinder Executive  
 Governance Task and Finish group, 15<sup>th</sup> August and 7<sup>th</sup> September 2012

The following table records the commentary, agreements and recommendations of the T&F group over its two meetings. Each 'area of discussion' is divided into two rows, reflecting activity at the first and second meetings.

Areas of discussion	Comments	Agreed/recommended	Action
<b>1. Legal form</b>	<p>The T&amp;F group discussed the possible legal forms the new organisation could take. The T&amp;F group wanted to see a full appraisal of the different options, including an explanation of why these have been discounted by ECC.</p> <p>The group also commented that Healthwatch should be able to take on commissions for 'public voice' work to bring in further revenue.</p>	<p>Pending this options appraisal, it was nonetheless AGREED that HW should be a registered charity and have limited liability for its members.</p>	<p>To prepare an evaluation/options paper, based on the legal advice offer to ECC.</p>
	<p>The T&amp;F group debated the merits of the different legal forms, including the possible option of the forthcoming Charitable Incorporated Organisation (CIO). There was a consensus that, at the current time, the status of Company Limited by Guarantee was the most appropriate legal form for Healthwatch Essex.</p>	<p><b>The group RECOMMENDED that that Healthwatch adopt as its legal form the status of Company Limited by Guarantee (CLG) and a charity, and that it would review its governance model in the light of developments around the CIO option in twelve months.</b></p>	
<b>2. The appointment of core members</b>	<p>There were reservations expressed about how the appointments process should be managed, and concerns expressed about undue influence from ECC.</p> <p>The process for the appointment of the Chair and Vice chair was talked over.</p> <p>The responsibility of the core group was also discussed.</p>	<p>The appointment of the 'core' group of HW members was AGREED as the correct way to ensure that HW was representative of the people of Essex</p> <p>It was AGREED that the appointment of the chair and vice-chair should rest with the 'core' group.</p>	<p>To look at the appointments process for the Pathfinder Executive, and to consider its appropriateness for adoption by HW in</p>

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	<p>The T&amp;F group reiterated their agreement that appointment of 'core' or executive members was the right model, and emphasised that the process should be open, transparent, independent and ensure representativeness. There was also discussion about the involvement of ECC in future Healthwatch appointments.</p>	<p>It was AGREED that the core members should be responsible for setting strategy and budget.</p> <p><b>The group RECOMMENDED that Healthwatch should commission its own appointments process, based on the principles of openness, transparency, independence and representativeness, and that this process should be commissioned from a third party.</b></p>	<p>future.</p>
<p><b>3.Board of Directors</b></p>	<p>The roles, responsibilities and membership were broadly agreed. The group wanted further consideration to be given to the composition of the board, including the number of 'core' membership directors, general membership directors and whether an independent non-executive director was necessary/desirable.</p> <p>The T&amp;F discussed the merits of the different options, with Andy Payne indicating that other local authorities and the Healthwatch regional advisor had offered no clear view on the role of independent directors on Healthwatch boards.</p>	<p>It was AGREED that a board of directors should be responsible for the day-to-day oversight of HW, and with responsibility for ensuring that the strategy agreed by the core group is implemented by HW officers</p> <p>The group also AGREED that the balance of membership of the board of directors should reflect a majority to the 'core' members.</p> <p>It was AGREED that the board should comprise the Chair, Vice-Chair, CEO.</p> <p><b>The group RECOMMENDED that the Board of Directors of Healthwatch should comprise the Chair and Vice-Chair of the 'core' group, two further 'core' members, two directors elected from the individual membership, and the CEO, with the power to co-opt further directors if it was felt necessary in the future.</b></p>	<p>To prepare an options paper for consideration re the composition of board, especially around number of core members and the value of having a non-exec and the terms under which he/she might be appointed.</p>

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4.General membership	The group agreed the importance of membership being open to all people who live and work in Essex, and they should have the right to vote. It was also felt that the AGM should not be the key decision making body, as the core group retained responsibility for strategy and budget setting.	It was AGREED that membership should be open to all people who live and work in Essex, and members should have the right to vote on motions at an annual general meeting.	The group to further consider options for role of general members, and their powers to vote on motions at an AGM.
	The T&F group discussed at length the merits of giving members of Healthwatch full voting rights through the AGM, with the view expressed, on the one hand, that this could make members feel included and valued, and on the other that this could distort decision making and lead to organisational inertia. There was also discussion on what the eligibility criteria for membership might be, and there was consensus that this should be as broad as possible. The role of organisational members was also discussed. It was stressed that both organisations and individuals would be expected to play full roles in the operational functioning of Healthwatch	<b>The group RECOMMENDED that the core group should have responsibility for strategy and budget setting. As such, individual members should have restricted rights, including the right to propose only advisory motions at the AGM. Organisational members would not have voting rights. The group also recommended that eligibility for membership should be extended to all those who are resident, or users of health and social care services, within the administrative county of Essex.</b>	
5.Language of membership	The group decided that term executive and associate membership could be seen as divisive and not demonstrating the importance of general membership. The options discussed included: the current executive members being known as core members; the executive being known as the core or strategy group, and that all other forms of general or 'associate' members should just be known as 'members'.	It was AGREED that further consideration needed to be given to the language of membership.	To prepare options for further consideration
	The T&F group discussed the merits of the different titles that could be applied to members of Healthwatch, with the view expressed that the chosen language should minimise hierarchy. The term 'Executive member' was noted as being	<b>It was RECOMMENDED that, as a working title (pending legal advice and further consideration), members of the current Pathfinder Executive Group would be</b>	

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	potentially confusing, and that the advice of lawyers should be sought if necessary.	<b>known in future as Members of the ‘Strategy Group’, and that all Healthwatch members would be known equally as ‘Members’.</b>	
<b>6.ECC powers</b>	There was consensus that ECC’s proposals to be able to remove directors through special powers as a founder member would be unacceptable, as this was a significant threat to HW’s independence and could destabilise the organisation. However, it was conceded that there may be circumstances (such as protection of public money) when ECC could legitimately seek to intervene, including removal of directors.	It was AGREED that further consideration be given, in discussion with ECC, how this could be achieved, with the suggestion that this could be via Healthwatch England and the core group in the first instance.	To explore with HW England what their view was, what other local authorities are considering, and to present options back to the T&F group.
	The T&F group discussed ECC’s proposals in the light of the feedback received from the Department of Health/LGA and Healthwatch England. This suggested that ECC’s proposals did not reflect the spirit or the intention of the legislation. In terms of discussion, the importance of Healthwatch’s perceived and actual independence from ECC was once more re-iterated, as well as the view that the contract should be the basis of ECC’s performance management of Healthwatch and not Healthwatch’s governance arrangements.	<b>It was RECOMMENDED that the Healthwatch Pathfinder reject ECC’s proposals as outlined in the paper ‘ECC response to areas of discussion’, specifically those numbered 1-4. Instead, the contract or SLA should be the basis of performance management. The group also recommended that, under bullet point c, the delivery of ‘functions of the Local Healthwatch for the Essex County Council area’ should be the ‘primary’ and not the ‘sole’ purpose of the company. It was also recommended that Mike Adams and Tom Nutt be mandated to conduct final, detailed negotiations with ECC, and that independent legal advice be sought if deemed necessary.</b>	

Thomas Nutt, 13<sup>th</sup> September 2012.