

Approved: July 2019

## **Annexe 3**

### **Policy on Chair's Action**

#### **1. Introduction**

The Board of Trustees have power to delegate appropriate functions and purposes to the Chair under Article 105 of the Articles of Association. This policy sets out the authority of the Chair to be able to take Chair's Action on a particular decision. In determining the need to take Chair's Action, the Chair and the Trust Secretary will first consider whether the matter could be resolved by all Trustees through a written resolution in accordance with Standing Order 4.4.

#### **2. Responsibility and Implementation**

The Board of Trustees has determined that the Chairman shall have delegated powers to act on its behalf between scheduled meetings of the Board of Trustees as detailed in this policy. Functions that cannot be delegated include:

- (a) The determination of the educational character and mission of the institution;
- (b) The approval of the annual estimates of income and expenditure;
- (c) The responsibility for ensuring the solvency of the institution and the Trust for safeguarding their assets;
- (d) The appointment of the CEO (except to the Committee (the Members) of the Trust);
- (e) The appointment or dismissal of the Trust Secretary; and

In normal circumstances, Chair's Action would only be authorised where:

- (a) Items of routine business that would not normally merit discussion at a meeting of the Board of Trustees;
- (b) Matters relating to the implementation of policies that have already been approved by the Board of Trustees; and
- (c) Any issue which, in the view of the Chairman and Trust Secretary, is too urgent and important for consideration to be deferred until the next scheduled meeting of the Board of Trustees, especially where any lack of timely action could damage the interests of the Trust.

"Items of routine business" are defined as any items that fall below the Trust's acceptable risk appetite. This assessment will be based on:

- (a) An assessment of the likelihood and impact of the risk materialising in the case of no action (or lack of timely action); and
- (b) A comparison of this in line with the Trust's risk appetite (as measured by the Trust's agreed approach set out in the risk management policy and debated from time to time).

#### **3. Policy Details**

Criteria to be adopted by the Chair and Trust Secretary in considering the need for Chair's Action:

- Requirements of regulators and statute do not explicitly require the decision to be taken by the Board of Trustees or the Audit Committee (i.e. approval of annual budget etc).

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- Has the advice of the CEO been taken?
- Has the advice of any relevant Trust Committee been taken?
- This decision does not contravene the Articles of Association or the Trust's own Standing Orders?
- Is this decision one which a majority of Trustees would consider not worth bringing to Board of Trustees for consideration?
- Is this decision a simple and straightforward follow-on from a decision already made by the Board of Trustees?
- It does not require legal or other external advice before taking this decision?
- Would delay in making this decision seriously damage the interests of the Trust?

If the answer to all relevant questions above, or based on a balance of agreed risk, is "yes", the Chair is entitled to approve decisions on behalf of the Board of Trustees.

In all cases, the Chair will exercise great care before taking action on behalf of the Board of Trustees, and will consult with the Trust Secretary on the most appropriate course of action.

Chair's Action on matters of importance will be taken only where delaying a decision would disadvantage the Trust. The Chair may also wish to consult with the Vice Chair (provided he is not also the Chair of the Audit Committee) and the Chair of the Finance Committee and the CEO, especially where Chair's Action would result in major financial or contractual commitments for the Trust.

It would be usual for the Chair to be advised by the CEO and, as appropriate, members of the Trust's Management Team before any decision is taken.

Chair's Action will be recorded on an appropriate form to be retained by the Trust Secretary. Where the Chair has exercised his/her delegated authority to act on behalf of the Board of Trustees, a report on the action taken, along with any background documents, will be made to the next scheduled meeting of the Board of Trustees where the Chair will explain the reason why action was taken.

The Audit Committee will have responsibility to review the process for exercising the rights under Chair's Action to satisfy itself that these have been exercised appropriately.

On occasions where the Chair is not available to take Chair's Action then the Vice Chair will be authorised to take Chair's Action on his/her behalf.

#### **4. Related documentation (policies, procedures or guidance)**

- Articles of Association
- Standing Orders