



*At the Council Chamber, Whitehall*

THE 19th DAY OF JULY 2022

BY THE LORDS OF HER MAJESTY'S MOST HONOURABLE  
PRIVY COUNCIL

The Privy Council has approved the revised Bye-laws of the Royal Hospital for Neuro-disability as set out in the Schedule to this Order.

*Richard Tilbrook*

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*SCHEDULE*

REVISED BYE-LAWS OF THE ROYAL HOSPITAL FOR NEURO-DISABILITY

**Definitions**

1. The following definitions shall apply:

**Associated Entity** shall mean an entity wholly owned by the Corporation.

**The Board** shall mean the Board of Governors.

**Board Committee** shall mean a committee which answers directly to the Board.

**Board Members** shall mean members of the Board of Governors.

**The Corporation** shall mean the Royal Hospital for Neuro-disability.

**Corporation Secretary** shall mean the Secretary to the Corporation or in their absence the person appointed by the Chief Executive to be the secretary to the Board meeting.

**Executive Management Team** shall mean the Chief Executive and directors appointed by the Chief Executive.

**Investment Managers** shall mean persons who shall have at least fifteen years experience of one or more of the following businesses in the City of London: Stockbrokers, Merchant Bankers, Finance Houses and Issuing Houses.

## **The Board**

### Composition

2. The Board shall consist of up to 15 Board Members but not less than 8, which shall include a Chair and Treasurer. The Board may appoint one or more Deputy Chair.

### Appointment

3. The Board shall elect new Board Members, including a Chair of the Board and a Treasurer following a recruitment process approved by the Board. Elections may take place at any Board meeting. No new Board Members shall be elected at any meeting for which less than 7 days' notice has been given.
4. The Board may delegate the carrying out of the recruitment process to the Nominations and Remuneration Committee, which shall carry out the process in accordance with procedures approved by the Board.
5. The maximum consecutive period for which a Board Member may serve is eight years, except that in exceptional circumstances the Board may extend a Board Member's term of office for up to two extra years.
6. The Chair of the Board and the Treasurer of the Board shall be appointed for a term of 4 years, or the remainder of their term of office as a Board Member if they are already on the Board. When the term of appointment of the Chair or Treasurer is at an end the Board may decide to re-elect the Chair or Treasurer, provided that overall the Chair or Treasurer is not a member of the Board for more than eight consecutive years (or ten consecutive years if an extension under paragraph 5 has been approved), including any period during which they have held office as the Chair or Treasurer.
7. The Chair and the Treasurer shall have the right to remain as Board Members for his/her full term even if removed from their respective roles as Chair or Treasurer, unless, after due process, the Board removes them from membership of the Board, in accordance with procedures approved by the Board.

### Removal, replacement and filling vacancies

8. A Board Member may at any time resign from the Board by giving at least 3 months' notice to the Chair, who may agree a shorter period of notice. In the case of the resignation of the Chair, he or she must give notice to a Deputy Chair (if any) or if none to the Treasurer.
9. The Board can suspend or remove a member of the Board, the Chair or the Treasurer in accordance with procedures approved by the Board. In the event that the Board has not approved procedures for this purpose, it must use a fair process when considering the suspension or removal of a Board member.

10. If a vacancy or vacancies on the Board arise because of resignation, suspension, removal, ill health or for some other unforeseen reason, the Board may elect a new Board Member or Board Members on a temporary basis and in any event for no longer than 6 months, without following the recruitment process approved by the Board. If the office of Chair or Treasurer becomes vacant, the Board shall elect a temporary replacement either at, or before, the first Board Meeting after such a vacancy occurs.

### Powers and Duties

11. Subject to the provisions of the Charter and of these Bye-laws, the Board shall be responsible for the overall stewardship of the Corporation and for furthering the Object of the Corporation.
12. The Board shall have the power to delegate its functions except for the non-delegable functions set out at paragraph 13 below. The Board shall determine the framework and scheme of delegations through which the Corporation's functions shall be carried out and assurance provided to the Board. This shall include the power to form committees and granting the power to sub-delegate in accordance with the processes approved by the Board.
13. The following are non-delegable functions of the Board:
  - i. To elect Board Members, the Chair, the Treasurer and appoint the Chief Executive;
  - ii. In relation to any pension schemes in which the Corporation participates (including the Staff Pension and Life Assurance Scheme of the Royal Hospital for Neuro-disability or any scheme in addition to or replacing the whole or part of that scheme):
    - a) to appoint directors to the board of the pension scheme, where these are nominated by the Royal Hospital for Neuro-disability;
    - b) to carry out the Employer's functions under the Pension Scheme Trust Deed and Rules other than any day to day operational issues that the Board may choose to delegate.
  - iii. To establish Board Committees and appoint members to those Committees;
  - iv. To create companies;
  - v. To approve the Corporation's investment strategy, which the Board will do on considering the advice of the Treasurer, the Investment Managers and any Board Committee with delegated functions relating to finance;
  - vi. To appoint Investment Managers;
  - vii. To set a threshold or thresholds in the financial delegations, which shall be reviewed from time to time, for the making of financial decisions and who may make them, including entering into loans and debts;
  - viii. To appoint a President and any Vice President based on a recommendation by the Chair;
  - ix. To approve and sign off on the Corporation's annual budget, the annual accounts and audit reports;
  - x. To appoint the Corporation's auditors.

## The Chair

14. The Chair shall provide leadership and direction to the Board and shall be responsible for presiding over Board Meetings and ensuring that the business of the Board is conducted in an orderly and efficient manner. The Chair shall provide support to the Chief Executive as appropriate. In cases of emergency, the Chair (or in their absence, the Treasurer or the chair of the Audit and Risk Committee) or at least 50% of duly appointed Board Members may exercise emergency decision making powers in accordance with paragraphs 41 – 45 below.

## The Treasurer

15. The Treasurer shall support the Corporation's executive in overseeing the management of the financial affairs of the Corporation, and shall contribute to the Board's role in the financial affairs of the Corporation. The Treasurer may be appointed as the chair of the committee to which the Board delegates financial responsibilities and oversight. The Treasurer may not be the chair or a member of the Audit and Risk Committee, but, with the agreement of the chair of that committee, may attend as an observer.

## **Board Meetings**

### Convening

16. The Board shall meet a minimum of three times in each calendar year and at such time and place and by such means as the Board determines.

### Notice

17. Except where a meeting is called in an emergency as detailed at paragraphs 42-43 below, Board Members shall receive at least seven days' notice of every meeting (unless otherwise specified in the Charter). This shall be inclusive both of the day on which notice is served, or deemed to be served, and of the day for which it is given.
18. The notice shall specify the place or mode of the meeting, the day and the hour of the meeting, together with the general nature of the business to be conducted and the means by which Board Members may attend, participate and vote.
19. Failure to provide notice to a Board Member does not invalidate the meeting for which Notice is being given.
20. Any Board Member may submit to the Chair an item for inclusion on the agenda for discussion at a Board Meeting, provided that 21 days' notice is given.

### Proceedings

21. Except where the Chair is unable to chair because of a conflict of interest (see paragraph 35 below), the Chair shall preside as chair at every meeting. If the Chair is

not present within 15 minutes of the start time of the meeting, or is unwilling or unable to take the chair, then a Deputy Chair (if appointed), may preside over the meeting, unless the Board shall arrange otherwise. If there is no Deputy Chair present the Board Members present shall elect a chair for the meeting from their number.

22. No business shall be transacted at any meeting unless a quorum is present. A quorum shall be 50% of duly appointed Board Members. If the number of duly appointed Board Members falls below the minimum number required in paragraph 2 of these Bye-laws, then, provided that at least 50% of Board Members are in attendance, the quorum shall be satisfied for the purposes of making a decision to elect one or more additional Board Members. If within half an hour of the meeting start time a quorum is not present, the meeting shall be dissolved.
23. No business shall be transacted unless there is present a Corporation Secretary to the meeting duly appointed by the Chief Executive.
24. Any Board Meeting may be held in person and/or remotely and without any of those participating in the meeting being together at the same place.
25. Any Board Member may validly participate in any meeting remotely, provided that all Board Members participating can hear and speak to each other during the meeting, including through telephone conferencing where necessary or desirable. Remote attendance amounts to attendance in person and shall count toward the quorum.
26. The Chair shall facilitate and invite those attending to participate in any discussion.
27. The absence of a Board Member at a Board Meeting or part of a meeting shall not invalidate any decisions taken by the Board, provided that the Board Meeting remains quorate.

#### Voting at Board meetings

28. The Chair shall seek the agreement of a meeting to any resolution before it and shall decide whether the resolution should be put to the vote.
29. Every Board Member present in person shall have one vote for every motion at a Board Meeting. A Board Member shall not have the right to appoint another person as his or her proxy to attend and vote at the meeting.
30. At any Board Meeting, a resolution put to the vote shall be decided on a show of hands, by electronic voting and/or by any other means considered appropriate by the Chair. Matters put to the Board shall be decided by a majority vote (unless otherwise specified in the Charter).
31. In the case of an equality of votes, the Chair shall be entitled to the casting vote.

32. Board Members shall not vote or participate in discussions on matters in which they have a conflict of interest. A Board Member must declare to the Chair any conflict (or potential conflict) of interest as soon as they become aware of it.
33. Upon being made aware of a conflict (or potential conflict), the Chair shall consult with the Corporation Secretary before deciding whether a conflict arises. The Chair shall decide whether the conflicted Board Member may remain in the meeting during the discussion on the item. The Chair's decision on these matters is final.
34. Where the Chair has a conflict (or potential conflict) of interest, this should be declared to the rest of the Board and the Corporation Secretary. The final decision on whether a conflict arises and whether the Chair may remain in the meeting during the item shall be made by the remaining members of the Board in attendance. If the Chair is conflicted from chairing an item, the meeting shall elect an alternative chair for that particular item.
35. Where an individual is conflicted from voting on an item, they cannot count towards the quorum for that item.

### **Special General Meetings**

36. A Special General Meeting may be held to wind up or otherwise deal with the affairs of the Corporation as stipulated in Article 22 of the Charter, or where amendments are being proposed to the Charter and/or Bye-laws, provided that:
  - i. the Chair deems it necessary; or
  - ii. a requisition in writing supported by not less than 50% of Board Members is submitted to the Chief Executive.
37. A Special General Meeting shall proceed in accordance with paragraphs 21 to 35, except that Board Members may appoint a proxy to attend, speak and vote on their behalf at any Special General Meeting. The proxy must be another Board Member and the process for appointing a proxy must be approved by the Board in advance of the meeting.
38. At least 7 days' notice of the Special General Meeting must be given to all Board Members (unless otherwise specified in the Charter). This shall be inclusive both of the day on which notice is served or deemed to be served and of the day for which it is given.
39. The notice shall specify the place and/or mode of the meeting, the day and the hour of the meeting, together with the general nature of the business to be conducted, the resolutions to be considered and the means by which Board Members may attend, participate and vote.

### **Emergency decision making**

40. Where procedures or delegations approved by the Board provide an emergency decision making process, that process must be followed.

41. In other situations where a decision is required which cannot reasonably wait until the next scheduled Board meeting and it would be detrimental to the Corporation to delay taking action until the next scheduled Board meeting, the Chair (or in their absence, the Treasurer or the chair of the Audit and Risk Committee) or at least 50% of duly appointed Board Members shall at their absolute discretion, decide whether to call an emergency meeting. The chair may also decide whether he or she shall take Chair's action.
42. Where the Chair decides to hold an emergency meeting, the rules regarding the holding of Board meetings shall apply except that the rules regarding notice shall not apply.
43. Where the Chair (or in their absence, the Treasurer or the chair of the Audit and Risk Committee) decides that it is not possible or practical to hold an emergency meeting in the timescale available, the Chair must consult the Chief Executive and the Corporation Secretary (or their deputies if they cannot be contacted) and as many Board Members as possible by the most convenient means in the circumstances before taking Chair's action.
44. Chair's action shall only be taken where it would be seriously detrimental to the Corporation to delay taking action until a meeting of the Board could be convened. Chair's action shall not be taken to appoint a new Board Member. Where the Chair has taken Chair's action, this shall be reported to the Board immediately and noted in the minutes of the next Board meeting.

### **Chief Executive**

45. The Chief Executive shall be appointed following an appointments process managed by the Nominations and Remuneration Committee, with the final decision being made by the Board.
46. The Board shall delegate management of the day to day affairs of the Corporation, including employment matters, to the Chief Executive.
47. The Chief Executive shall further delegate the administration and management of the Corporation to other employees or relevant third parties, as appropriate.
48. The Chief Executive shall report to the Board about the discharge of these functions at every Board meeting or more frequently as required by the Board.
49. The Board can suspend or remove the Chief Executive in accordance with procedures approved by the Board.
50. The Chief Executive shall appoint an Executive Management Team to assist the Chief Executive with the running of the organisation.

## **Committees**

51. The Board shall appoint Board Committees which shall report to it at every Board meeting. These shall include, but are not limited to, the Nominations and Remuneration Committee and the Audit and Risk Committee.
52. Members of the Board Committees shall be appointed by the Board, and may include co-optees who are not Board Members. Co-optees of Board Committees shall be subject to the same rules regarding terms of office as Board Members. Serving on a Board Committee as a co-optee shall not count towards tenure as a Board Member and visa versa.
53. The Board shall approve Terms of Reference for the Board Committees, which it shall review regularly.
54. The Board Committees may establish sub committees and working parties and must report any such establishment to the Board.
55. The Board shall approve general provisions applicable to Board Committees which shall (subject to these Bye-laws) set out procedures for Board Committees and may set out procedures for any sub-committees as required. These may address matters such as the suspension and removal of members of a committee, quorum, voting, reporting requirements, secretarial support and any other such matters applicable to the Board Committees and/or sub-committees. These provisions shall be reviewed regularly.

### Nominations and Remuneration Committee

56. The Nominations and Remuneration Committee shall be comprised of the Chair of the Board and at least two other individuals. When undertaking its role the Committee shall obtain independent input where it considers it to be fair and appropriate to do so.
57. Its role shall be set out in Terms of Reference by the Board and shall include to:
  - i. Ensure robust monitoring of the recruitment of Board Members and the Chief Executive;
  - ii. Make recommendations of appointments to the Board and to Board Committees, including the chairs of Board Committees, but the Board has the discretion to choose not to appoint any such recommendation;
  - iii. Recommend individuals for filling any vacancy (temporary or permanent) caused by death, resignation, or otherwise of any member of the Board, the Chair or the Treasurer;
  - iv. Recommend a suitable candidate to the roles of Chair and Treasurer, any Deputy Chairs, and the President;
  - v. Determine Board Member pay and the pay of the Chief Executive.
  - vi. If requested by the Chief Executive, to assist the Chief Executive in the appointment of executive directors;



vii. Approve arrangements for the payment of Board Members' expenses, as appropriate.

58. The chair of this Committee shall be the Chair of the Board.

59. No member of this Committee shall vote for themselves at the Board Meeting convened to determine appointments.

#### Audit & Risk Committee

60. The Audit and Risk Committee shall be comprised of a minimum of three Board Members and other Board Members or Co-optees as appropriate.

61. Its role shall be set out in Terms of Reference by the Board and shall include to:

i. Oversee governance and assurance.

ii. Report directly to the Board on audit, accounting and risk matters.

iii. Appoint the Corporation's internal auditors.

iv. Recommend to the Board the appointment of the Corporation's external auditors.

v. Submit annual accounts and audit reports to the Board for approval.

The chair of this Committee shall be appointed by the Board at a duly convened Board Meeting.

#### **Auditors**

62. Auditors shall be duly qualified in accordance with the requirements of the Companies Act and shall be appointed by the Board following a tendering exercise.

63. There shall be a tendering exercise for the appointment of the Corporation's Auditors at least every three years and the appointment shall be subject to annual review and satisfactory performance.

64. In exceptional circumstances, the Board may determine that it is impracticable to hold a tendering exercise at the end of the term of appointment, and in such circumstances the Board may extend the Auditors' term of appointment for a further one year without a tendering exercise.

65. If an Auditor has been appointed for two consecutive terms and the same partner has been designated as the partner responsible for the audit throughout both terms, then the same Auditor shall not be appointed for a third term unless the partner responsible for the audit is changed (and any other measures considered to be best practice have been considered and implemented where appropriate).

66. If a vacancy arises during the term of appointment, the Board shall appoint Auditors to act until the next Board Meeting.

67. The Auditors shall audit the annual accounts made up to such date as the Board may decide, and produce their report accordingly. The Board shall notify the Auditors of

any changes to the accounting year end in advance and in writing. The accounts shall be approved by the Board and signed accordingly, and then sent to the Auditors to sign. The Auditors will provide the Board with the signed accounts and Auditors' report.

### **Investment Managers**

68. Investment Managers shall be appointed as investment experts by the Board. The Investment Managers may be appointed on such terms and with such remuneration as the Board shall think fit and the Board may remove the Investment Managers at any time.
69. The Investment Managers shall provide advice to the Board about the Corporation's investment strategy.
70. The Board may authorise the Investment Managers to exercise on behalf of the Board the powers to apply and invest the surplus moneys of the Corporation and to vary, transpose or realise assets within such investment policy guidelines as the Board may from time to time decide;
71. The Investment Managers shall at all times keep under review the investments of the Corporation and inform the Board, or one of its Committees as the Board shall direct, promptly of any changes it believes would be desirable to make to the investments.

### **Notices**

72. Any Document to be given to or by any person pursuant to these Bye-laws must be in writing and in electronic form, unless a situation arises in which this is not possible, in which case documents shall be in hard-copy and provided by post or by hand or by courier.
73. Notice of a Board Meeting or Special General Meeting shall be given by email by the Corporation Secretary to the Corporation, unless a situation arises in which this is not possible, in which case Notice shall be provided by post or by hand or by courier.

### **Indemnity**

74. Every Board Member or member of a Board Committee or director of an Associated Entity may be indemnified out of the Corporation's assets against a) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Corporation (or an Associated Entity) b) any liability incurred by that person in connection with the activities of the Corporation (or an Associated Entity) in its capacity as a trustee of an occupational pension scheme c) any other liability incurred by that person as an officer of the Corporation (or an Associated Entity). This provision does not authorise any indemnity which would be prohibited or rendered void by any provision of law.

75. The Board may decide to purchase and maintain insurance, at the expense of the Corporation, for the benefit of any Board Member or member of a Board Committee or director of an Associated Entity in respect of any loss or liability which has been, or may be, incurred by a Board Member or member of a Board Committee or director of an Associated Entity in connection with that person's duties or powers in relation to the Corporation, an Associated Entity or any pension fund of the Corporation (or an Associated Entity).

## **Documents**

76. The Common Seal of the Corporation shall be affixed to all deeds requiring the Corporation's Seal and such deeds shall be signed by:
  - i. the Chief Executive or member of the Executive Management Team; and
  - ii. the Chair or any Board Member.