

SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

EXECUTIVE SUMMARY

COUNCIL OF GOVERNORS

30 March 2021

| | |
|--------------------------------|---|
| Subject | Non-Executive Director extension to tenure for one year |
| Supporting Board Member | Annette Laban, Chair |
| Author | Sandi Carman, Assistant Chief Executive |
| Status | For Approval |

PURPOSE OF THE REPORT

To seek the approval of the Council of Governors to a recommendation from the Council of Governors' Nomination and Remuneration Committee to re-appoint Martin Temple as a Non-Executive Director at the end of his current term of office for a further one year term of office.

KEY POINTS

- The Trust's Constitution allows for Non-Executive Directors to serve no more than eight years or two consecutive full terms of office.
- However, there is provision to extend the tenure by a maximum of one year in exceptional circumstances, such as substantial changes on the Board of Directors.
- The Covid-19 pandemic has placed exceptional pressure on the Trust and continues to provide challenge both in terms of the need to deliver high quality care and maintain financial balance. Over the last year there have been significant changes in the financial regime and the future financial framework remains uncertain. For these reasons there is the need for continuity and stability in terms of Non-Executive Director oversight.
- It is the responsibility of the Council of Governors' Nomination and Remuneration Committee to advise the Council of Governors in respect of re-appointment of any Non-Executive Director in relation to a term beyond eight years.
- Martin Temple, Non-Executive Director, completes his second four year term of office on 30 June 2021.

IMPLICATIONS

| AIM OF THE STHFT CORPORATE STRATEGY 2012-2017 | | TICK AS APPROPRIATE |
|---|--|---------------------|
| 1 | Deliver the Best Clinical Outcomes | X |
| 2 | Provide Patient Centred Services | X |
| 3 | Employ Caring and Cared for Staff | X |
| 4 | Spend Public Money Wisely | X |
| 5 | Deliver Excellent Research, Education & Innovation | X |

RECOMMENDATION

The Council of Governors is asked to **APPROVE** the recommendation of the Council of Governors' Nomination and Remuneration Committee to re-appoint Martin Temple, Non-Executive Director, for a one year term of office from 1 July 2021.



COUNCIL OF GOVERNORS
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RECOMMENDATION TO RE-APPOINT MARTIN TEMPLE

1. Context

The Council of Governors' Nomination and Remuneration Committee (NRC) is constituted as a standing committee of the Council of Governors. It is the responsibility of the Committee to advise the Council of Governors in respect of re-appointment of any Non-Executive Directors in relation to a term beyond eight years.

2. Background

2.1 Board Standing Orders

The Standing Orders for the Practice and Procedure of the Board of Directors sets out the terms of office of the Chair and Directors as follows:

4.6 Terms of Office of the Chair Non-Executive Directors

4.6.2 The Chair and Non-Executive Directors are appointed for a term of office of no more than four years, subject to re-appointment.

4.6.3 The Chair and Non-Executive Directors, (excluding the Non-Executive Director who exercises functions for the purposes of the University of Sheffield in accordance with Paragraph 24.9 of the Constitution), may serve no more than eight years or two consecutive full terms of office but the maximum tenure to be extended by annual re-appointment in exceptional circumstances.

2.2 Term of Office of Martin Temple, Non-Executive Director

| Appointed/re-appointed | |
|-------------------------------|--------------|
| From | To |
| 1 July 2013 | 30 June 2017 |
| 1 July 2017 | 30 June 2021 |

2.3 Criteria and Process for Seeking Approval for an Annual Re-appointment

Appendix 1 (attached) of the Terms of Reference of the NRC provides procedural guidance on approving an exceptional re-appointment for a Non-Executive Director.

3. Action

Based on the exception criteria outlined in section 2 of the attached procedural guidance, the Council of Governors is asked to approve the recommendation of the NRC to re-appointment Martin Temple from 1 July 2021 for a final one year term of office.

All Non-Executive Directors are required to undertake annual appraisal led by the NRC and the Chair. This matter was last considered by the NRC on the 1 July 2020

“Mr Martin Temple’s contribution to Board affairs had become outstanding as his knowledge of the NHS had developed. He was a strong contributor on all aspects of the Trust, an excellent member of the Board and a strong contributor on the Committees he sat on, particularly the F&P Committee that he continued to chair very effectively and professionally.

Governors were very positive about Mr Temple’s contribution and the following was highlighted during discussion:

One Governor said that Mr Temple was very inclusive and encouraging of governors, particular when governors observed at the F&P Committee. His grasp of questions raised was outstanding and his intellect was valued.”

Martin has indicated he is willing to stand for a further year and has the time required to undertake the role. Performance as Chair of the Finance and Performance Committee and within Board meetings has continued to demonstrate appropriate independence and constructive challenge.

The case for an extension in exceptional circumstances has been initiated by the Board of Directors’ Nomination and Remuneration Committee in recognition of the current period of stress the organisation is experiencing.

4. Recommendation

The Council of Governors is asked to **APPROVE** the recommendation of the Council of Governors’ Nomination and Remuneration Committee to re-appoint Martin Temple, Non-Executive Director, for a one year term of office from 1 July 2021.



PROCEDURAL GUIDANCE ON APPROVING AN EXCEPTIONAL RE-APPOINTMENT FOR A NON-EXECUTIVE DIRECTOR

1. Background

Section 4.6 of the Standing Orders of the Board of Directors stipulates the standard Term of Office for a Non-Executive Director is no more than four years and sets the maximum tenure at two consecutive Terms of Office.

Provision is made in Section 4.6 for the maximum tenure to be extended, once only, by annual re-appointment in exceptional circumstances.

2. Criteria for approving an Annual Re-appointment

Circumstances may be deemed *exceptional* if a re-appointment of tenure would maintain stability when the:

- a) Board of Directors and/or the Trust is experiencing a period of stress, or
- b) Board of Directors faces an unplanned sudden and simultaneous loss of a majority of its Non-Executive Directors, or
- c) Board of Directors requires specialist Non-Executive Director input to manage and resolve a time-limited issue, or
- d) Significant structural organisational change

3. Process for seeking approval for an Annual Re-appointment

Approval for a re-appointment to the maximum tenure for an individual Non-Executive Director must be given by the Council of Governors' Nomination and Remuneration Committee which will in turn make a recommendation to the Council of Governors for final approval.

The case for an extension in exceptional circumstances may be initiated by either the Board of Directors or its Nomination and Remuneration Committee, or by the Council of Governors or its Nomination and Remuneration Committee.

The case must be based on the exception criteria outlined in Section 2 above and should be submitted by a paper to the Council of Governors' Nomination and Remuneration Committee.

In its deliberations, the Council of Governors' Nomination and Remuneration Committee should pay due regard to:

- the issue of eligibility under the exception criteria outlined in Section 2

- matters normally considered in the re-appointment the Non-Executive Director i.e. assessing the existing candidate against the current updated job description and person specification
- additional relevant issues, such as
 - the Non-Executive Director's past annual performance appraisal(s)
 - any changes in the Non-Executive Director's commitments that may have a bearing on the time required to undertake the role
 - any change in the Non-Executive Director's independence, particularly their length of service which is relevant to the determination of their independence (as set out in Section A.3.1 of the NHS Foundation Trust Code of Governance).

Appointment

Subject to final approval by the Council of Governors, the Non-Executive Director will be re-appointed for one year only. Further extensions are not permissible

The terms and conditions of the re-appointment will be clearly set out in the Letter of Re-appointment.

Any such extensions will be reported in the Trust's Annual Report and Accounts, as directed by NHS Improvement.