

**Executive Summary**  
**Report to the Council of Governors**  
**Held on 30 March 2021**

<b>Subject</b>	Board Composition and Additional NED Appointment
<b>Supporting Board Member</b>	Annette Laban, Chair
<b>Author</b>	Sandi Carman, Assistant Chief Executive and Judith Green, Corporate Governance Manager
<b>Status</b>	A

## PURPOSE OF THE REPORT

This paper outlines a recommendation from the Council of Governors' Nomination and Remuneration Committee (CoG NRC) to the Council of Governors to approve the recruitment of an additional Non-Executive Director to correct the balance of independence on the Board of Directors, and to recruit to this position through a nomination by Sheffield Hallam University.

## KEY POINTS

At a meeting on 16 February 2021 the CoG Nomination and Remuneration Committee (CoG NRC) received a report from the Board of Directors' Nomination and Remuneration Committee (BoD NRC) recommending an increase in the number of Non-Executive Directors (NEDs) on the Board through the recruitment of an additional NED. Following discussion CoG NRC agreed to approve the recommendation for submission to the Council of Governors for approval.

The recommendation for approval was supported by the following information:

- The total number of Executive Directors has increased from seven to eight following the appointment of Jennifer Hill as substantive Medical Director (Operations). This change in the composition of the Board of Directors impacts on its balance of independence, in that the number of Executive Directors (eight) is now greater than the number of NEDs (seven, excluding the Chair).
- The Trust seeks to comply with the NHS Foundation Trust Code of Governance<sup>1</sup> (the Code) which assists NHS foundation trust boards to develop their governance arrangements in line with best practice. Provision B1.2 of the Code states that '*At least half the Board, excluding the Chairman, should comprise Non-Executive Directors determined by the Board to be independent*'.
- The BoD NRC is responsible for giving regular consideration to the structure, size and composition of the Board of Directors and for making recommendations with regard to any changes. At a meeting held on 25 January 2021 the BoD NRC considered and approved a recommendation from the Trust Executive Group to increase the number of NEDs on the Board through recruitment to an additional NED position.
- In subsequently reviewing the skills, experience and diversity on the Board of Directors to inform both recruitment to this position and to an existing NED vacancy, the BoD NRC agreed that a nomination should be sought from Sheffield Hallam University. This would broaden input on the Board in respect of education, training and research. It was also agreed that both NED appointments should be used as an opportunity to improve and complement the diversity of the Board in terms of gender, ethnicity and belief systems.

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/327068/CodeofGovernanceJuly2014.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/327068/CodeofGovernanceJuly2014.pdf)

- The CoG NRC agreed that the Vice Chancellor of Sheffield Hallam University should be approached for a nomination with the nominated individual's CV and supporting information presented to the CoG NRC for review on 6 April 2021, subject to the Council of Governors approval.
- Following review of the CV and supporting information a recommendation from the CoG NRC would then be submitted to an extraordinary Council of Governors meeting on 15 April 2021, for ratification of the appointment.
- A disclosure statement regarding the composition of the Board would need to be made in the Trust's 2020/21 Annual Report describing arrangements put in place to meet the main principles of the Code of Governance in respect of the balance of independence on the Board of Directors.
- The composition of the Board of Directors is defined in a number of Trust governing documents. These include the Trust Constitution, changes to which require joint approval by the Board of Directors and the Council of Governors. A subsequent paper on this meeting's agenda item seeks Council of Governor approval for a change to the constitution to reflect the increase in NED membership on the Board of Directors.
- An approval and ratification process has taken place through the Trust Executive Group and Board of Directors for equivalent amendments to both the Standing Orders for the Practice and Procedure of the Board of Directors and the Board of Directors' Terms of Reference.
- On approval to appoint to this additional NED position through the process described above, a further change will be made to the Trust Constitution to reflect that one NED position is filled by a nomination from Sheffield Hallam University. A joint Board of Directors' / Council of Governors' approval process will be undertaken in respect of this.

## IMPLICATIONS

AIMS OF MAKING A DIFFERENCE : Corporate Strategy		Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Deliver Excellent Research, Education & Innovation	✓

## RECOMMENDATIONS

The Council of Governors is asked to:

- **NOTE** a change in the current balance of independence on the Board of Directors.
- **AGREE** a recommendation to appoint to an additional NED position on the Board of Directors through a nomination from Sheffield Hallam University.
- **NOTE** the need to make a Code of Governance disclosure statement in respect of the balance of independence of the Board of Directors within the Trust's 2020/21 Annual Report.
- **NOTE** the need to make amendments to Trust Governing documents in respect of Board composition, including the Trust Constitution.

## APPROVAL PROCESS

Meeting	Date	Approved Y/N
Board of Directors' Nomination and Remuneration Committee	25/01/21	Y
Council of Governors' Nomination and Remuneration Committee	16/02/21	Y
Council of Governors	30/03/21	