



## TERMS OF REFERENCE

# COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE

## 1 PURPOSE

The Council of Governors' Nominations and Remuneration Committee is constituted as a standing committee of the Council of Governors.

The committee is authorised by the Council of Governors to act within its terms of reference, as set out below, subject to ratification of any amendments at future meetings of the Council of Governors.

The committee is authorised by the Council of Governors to obtain such internal information as it considers necessary for or expedient to the exercise and fulfilment of its functions. All members of staff and office-holders of the Trust are required to cooperate with any request made by the committee in pursuance of those aims.

The committee is authorised by the Council of Governors, subject to funding approval by the Chief Executive or Assistant Chief Executive acting on behalf of the Chief Executive, to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise as required.

## 2 DUTIES/RESPONSIBILITIES

### 2.1 Nominations

- To regularly review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors in conjunction with the Board of Directors.
- To give consideration to succession planning for Non-Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future.
- To keep the leadership needs of the Trust under review at Non-Executive Director level to ensure the continued ability of the Trust to operate effectively.
- To keep up to date and fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates.
- To agree with the Council of Governors a clear process for the nomination of Non-Executive Directors, including the Chair.
- To take into account the views of the Board of Directors on the qualifications, skills and experience required for each Non-Executive Director position.
- To prepare and maintain a description of the role and capabilities required for an appointment of a Non-Executive Director, including the Chair.
- To identify and nominate candidates as Non-Executive Directors, including the Chair, for subsequent approval by the Council of Governors.

- To ensure that proposed Non-Executive Director's, including the Chair, other significant commitments are disclosed to the Council of Governors before appointment and that any changes to their commitments are reported to the Council of Governors as they arise.
- To ensure that, in line with Trust policy, proposed appointees disclose to the Assistant Chief Executive any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- To ensure that on appointment Non-Executive Directors, including the Chair, receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board of Directors' meetings.
- To review the results of the Board of Directors' performance evaluation process that relate to the composition of the Board of Directors.
- To make recommendations to the Council of Governors concerning plans for succession particularly for the key roles of Chair and chairs of committees.
- To advise the Council of Governors in respect of reappointment of any Non-Executive Directors in relation to a term beyond eight years, see Appendix 1.
- To advise the Council of Governors in regard to any matters relating to the removal from office of a Non-Executive Director, including the Chair.

## **2.2 Remuneration**

- To decide and review the terms and conditions of office of the Non-Executive Directors, including the Chair, in accordance with all relevant Trust policies, including:
  - Pay
  - Provision for any other benefits
  - Allowances
  - Expenses
- With the Senior Independent Director to monitor and evaluate annually the performance of the Chair.
- To monitor and evaluate the performance of individual Non-Executive Directors as assessed annually by the Chair.
- To comply with all relevant legislation, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Non-Executive Directors whilst remaining cost effective.
- To oversee other arrangements for Non-Executive Directors, including but not limited to termination payments.

## **3. ACCOUNTABLE TO**

The committee is accountable to the Council of Governors.

#### 4. **REPORTS TO AND METHOD (INCLUDING MINUTES CIRCULATION)**

The minutes of all meetings of the committee shall be formally recorded and shall be retained by the Assistant Chief Executive, on behalf of the Chair.

The committee shall report to the Council of Governors after each meeting of the committee and make an annual report to the Annual Members' Meeting.

The Assistant Chief Executive, on behalf of the Chair, shall ensure that the work of the committee is accurately reported in the Annual Report and Accounts in accordance with any direction from NHS Improvement.

#### 5. **MEMBERSHIP - NAME/DESIGNATION/CHAIR OR VICE-CHAIR**

##### ➤ Members

<b>NAME</b>	<b>DESIGNATION</b>	<b>CHAIR/VICE-CHAIR</b>
Tony Pedder	Chair of the Trust	Chair
Paul Corcoran	Appointed Governor	
Sally Craig	Public Governor	
Amanda Forrest	Appointed Governor	
Cath Hemingway	Staff Governor	
Martin Hodgson	Public Governor	Vice-Chair
Vacant	Public/Patient Governor	
Irene Mabbott	Staff Governor	
Kath Parker	Patient Governor	

##### ➤ Chair

The Nominations and Remuneration Committee will be chaired by the Trust Chair except where the Chair has a conflict of interest, for example when the committee is considering the Chair's re-appointment, performance, remuneration or termination, the Chair shall withdraw from the meeting and the committee shall be chaired by the Vice Chair of the Committee.

##### ➤ Vice-Chair

The Vice-Chair shall be a public or patient governor selected from among the committee members in accordance with Appendix 2.

##### ➤ In attendance

<b>NAME</b>	<b>DESIGNATION</b>
Sandi Carman	Assistant Chief Executive
Jane Pellegrina	Trust Membership Manager

##### ➤ Serviced by

<b>NAME</b>	<b>DESIGNATION</b>
Jane Pellegrina	Trust Membership Manager

➤ Lead Officer (If applicable)

<b>NAME</b>	<b>DESIGNATION</b>
Sandi Carman	Assistant Chief Executive

**6. COMPOSITION OF AND APPOINTMENTS TO THE COMMITTEE**

The committee will be chaired by the Chair of the Trust. There will normally be eight other members of the committee.

The membership of the committee will include a balance of public, patient, staff and appointed governors. Committee members will be appointed in accordance with Appendix 3.

**7. TERMS OF OFFICE OF COMMITTEE MEMBERS**

Given that the Chair and governors all have finite terms of office and given the need for the committee to have some stability to enable it to appreciate and discharge its responsibilities; where possible the tenure on the committee of members will correspond to the tenure of office as Chair and/or governor.

**8. CONFIDENTIALITY**

By its nature, the committee will deal with issues of a confidential nature. The membership is therefore expected to observe the highest degree of confidentiality and integrity in this regard. Any breaches in this regard will result in membership of the committee being terminated and redress via the Code of Conduct for Governors.

The Minutes of the committee will remain confidential and will not be circulated outside the committee membership.

**9. QUORUM**

A quorum shall be five members.

**10. MEETING FREQUENCY AND PROCEDURES (MINIMUM IF APPLICABLE)**

Meetings shall be held at least every six months.

**11. PROCESS FOR REVIEWING EFFECTIVENESS**

The effectiveness of the committee will be monitored on an annual basis via the following:

- Annual review and approval of the Terms of Reference by the Council of Governors
- Annual report to the Annual Members' Meeting
- Report of committee's work in Annual Report and Accounts in accordance with direction from NHS Improvement

**12. REPORTING STRUCTURE**

None

13. **DATE TERMS OF REFERENCE WERE APPROVED**

Council of Governors 6 December 2017.

14. **REVIEW DATE**

December 2018



## 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, as incorporated into the Trust Constitution, 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 reappointment 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' Nominations 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 Nominations and Remuneration Committee, or by the Council of Governors or its Nominations 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' Nominations and Remuneration Committee.

In its deliberations, the Council of Governors' Nominations 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 Monitor's *Code of Governance*).

## **Appointment**

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

The terms and conditions of the appointment will be clearly set out in the Letter of Appointment.

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



## **COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE PROCESS FOR SELECTING A VICE-CHAIR OF THE COMMITTEE**

### **1. Context**

The Committee is chaired by the Trust Chair except where the Chair has a conflict of interest, for example when the Committee is considering the Chair's re-appointment, performance, remuneration or termination, when the Chair withdraws from the meeting and the Committee is chaired by the Vice-Chair of the Committee.

The Vice-Chair of the Committee should be a public or patient governor selected from among the Committee members.

### **2. Appointment Process**

When a vacancy occurs the Chair will seek expressions of interest from the Committee Members. In the event of more than one member expressing an interest the Chair will consult with the other Members privately to seek a majority recommendation.

### **3. Process following Selection of the Vice Chair of the Committee**

The Chair will inform the successful candidate and the appointment will be notified to the next Council of Governors Meeting.

November 2017



## **COUNCIL OF GOVERNORS' NOMINATIONS AND REMUNERATION COMMITTEE PROCESS FOR GOVERNORS TO JOIN THE COMMITTEE**

### **1. Context**

The Committee is chaired by the Chair of the Trust and there are eight other Committee Members.

Membership includes a balance of Public, Patient, Staff and Appointed Governors, made up of:

Four Public/Patient Governors  
Two Staff Governors  
Two Appointed Governors

### **2. Appointment Process**

When a vacancy occurs the Chair will inform governors in the relevant constituency of the vacancy and invite expressions of interest in the role. In the event that a number of governors express an interest, a ballot amongst relevant governors will be held and each candidate will be invited to submit a short statement supporting their application to take up the role.

### **3. Process following Selection**

The Chair will inform the successful candidate and invite them to join the Committee. The appointment will be reported to the next Council of Governors Meeting.

November 2017