



Board of Directors – Public

SUMMARY REPORT

Meeting Date: 22 March 2023

Agenda Item: 30

Report Title:	Governance Report	
Author(s):	Deborah Lawrenson, Director of Corporate Governance	
Accountable Director:	Deborah Lawrenson, Director of Corporate Governance	
Other Meetings presented to or previously agreed at:	Committee/Group:	Remuneration and Nomination Committee
	Date:	1 March 2023
Key Points recommendations to or previously agreed at:	The Terms of Reference were approved at the committee and are presented for endorsement by the board	

Summary of key points in report

This report provides the Board with updates on the following matters:

Terms of Reference for the Remuneration and Nomination Committee

Attached for endorsement at **appendix 1**. The Annual review of effectiveness of the Committee is under development in readiness for receipt at the Audit and Risk Committee and the Board in Quarter 1 of the new financial year.

Declarations, gifts and hospitality register 2022/23

Work is underway to finalise declarations for the 2022/23 register including calling in updated declarations of interest and fit and proper persons test declarations for the Board and the Council of Governors. A report will be received at the Audit and Risk Committee in April.

Non-Executive Director Champion roles and membership of committees

As reported to the Board previously national guidance was issued in 2022 around NED champion roles and the approach to these going forward. [New Approach to Non-Executive Director Champion Roles](#)

In full the five champion roles were defined in addition to the statutory role of Senior Independent Director, these were Security Management, Doctors Disciplinary (new), Maternity Board safety champion, Freedom to Speak Up and Well Being. SHSC identified leads for the champion roles with the exception of leads for Doctors Disciplinary and Security Management.

The national guidance proposed other roles should be embedded in governance arrangements and where possible aligned to committee structures.

Further work is taking place to refine our NED champions and membership of our committees in light of recent changes in the Non-Executive team and a further update on this will be provided to the next meeting.

Given the departure at the end of February 2023 of Richard Mills, the Deputy Chair and NED champion for Freedom to Speak Up (FTSU) consideration is being given to replacement of the Deputy Chair role and Heather Smith has agreed to take on the FTSU NED champion role. .

Recommendation for the Board/Committee to consider:

Consider for Action		Approval	X	Assurance	X	Information	
----------------------------	--	-----------------	----------	------------------	----------	--------------------	--

The Board is asked to receive and endorse the updated Terms of Reference for the Remuneration and Nomination Committee and to note updates provided on declarations of interest, gifts and hospitality registers for 2022/23 and plans concerning Non- Executive Champion and committee roles.

Please identify which strategic priorities will be impacted by this report:

Covid-19 Recovering Effectively	Yes	X	No	
CQC Getting Back to Good Continuous Improvement	Yes	X	No	
Transformation – Changing things that will make a difference	Yes	X	No	
Partnerships – working together to make a bigger impact	Yes	X	No	

Is this report relevant to compliance with any key standards ? State specific standard

Care Quality Commission Fundamental Standards	Yes	X	No	
Data Security and Protection Governance Toolkit	Yes	X	No	
Any other specific standard	Yes	X	No	Code of Governance

Have these areas been considered ? YES/NO If Yes, what are the implications or the impact? If no, please explain why

Service User and Carer Safety and Experience	Yes		No	X	
Financial (revenue & capital)	Yes		No	X	
Organisational Development/Workforce	Yes	X	No		
Equality, Diversity & Inclusion	Yes	X	No		
Legal	Yes		No	X	
Environmental Sustainability	Yes		No	X	

Terms of Reference

Document History:	
Version Number:	3.0
Approved by:	Trust Board (pending March 2023)
Date approved:	Remuneration and Nomination Committee - 1 st March 2023.
Name of Committee	Remuneration and Nomination Committee
Type of Committee	Committee of the Trust Board of Directors
1.	<p>Purpose of Committee</p> <p>The Remuneration Committee (the 'committee') has been established to:</p> <ul style="list-style-type: none"> • be responsible for supporting and approving the recruitment of Executive Directors to Board positions and agreeing their remuneration and other conditions of service. • be responsible for considering and actioning any matter relating to the continuation in office of any Executive Director at any time, including the suspension or termination of service of an individual as an employee of our Trust. • be responsible for agreeing the remuneration and other conditions of service of other very senior managers outside of Agenda for Change. <p>In these Terms of Reference, the reference to senior managers relates only to Executive Directors and Very Senior Managers outside of Agenda for Change (VSM).</p>
2.	<p>Scope</p> <p>The scope of the committee is limited to remuneration and nomination requirements related to the Executive Directors and Very Senior Managers.</p>
3.	<p>Authority / Accountability</p> <p>The Remuneration and Nomination Committee is constituted as a standing committee of the Trust Board of Directors (the Board). Its constitution and terms of reference shall be as set out below, subject to amendments at future Trust Board meetings.</p> <p>The committee is authorised by the Board to act within its terms of reference. All members of staff are directed to cooperate with any request made by the committee.</p> <p>The committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside our Trust with relevant experience and expertise if it considers this necessary or expedient to the exercising of its functions.</p> <p>The committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.</p>



4.	<p>Objectives of the Committee</p> <p>Appointments and nomination role</p> <p>The committee will:</p> <ol style="list-style-type: none"> I. in consultation with the Chief Executive annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Executive Team, making use of output from the Board annual self-assessment process as appropriate. II. give full consideration to and make plans for succession planning for the Chief Executive and, on the recommendation of the Chief Executive, for the other Executive Directors as part of any review of skills and experience required across the Board. III. identify and nominate for approval by the council of governors, appointment to the role of Chief Executive. IV. seek the opinion of NHS England where the Committee intends to make new appointments or increase pay of existing staff to £150,000 or above, in accordance with NHS England national guidance on pay for VSMs in NHS Trusts and Foundation Trusts (March 2018). V. be assured that when a vacancy is identified, the balance of skills, knowledge and experience required on the Board is taken into consideration, including diversity. VI. consider and action any matter relating to the continuation in office of any Executive Director at any time, including the suspension or termination of service of an individual as an employee of our Trust. VII. comply with the legal duties set out in the Equality Act 2010 and related Regulations, in particular the duty to have due regard to preventing discrimination and promoting equality of opportunity where people share specific characteristics. VIII. consider where appropriate the use of positive action in recruitment and promotion in line with section 158 and section 159 of the Equality Act 2010. IX. ensure appropriate processes are followed for the recruitment and appointment of Executive Directors. X. annually consider the objectives and performance of Executive Directors led by the Chief Executive and, in the case of the Chief Executive, the Chair will lead to ensure they are in line with our Trust's objectives and values.
	<p>Remuneration Role</p> <p>The committee will:</p> <ol style="list-style-type: none"> I. establish and keep under review a remuneration policy in respect of Executive Directors of the Board and any other very senior managers on locally determined pay. II. consult with the Chair and/or Chief Executive about proposals relating to the remuneration of the other Directors and/or senior managers on locally determined pay.

	<p>III. adhere to all relevant laws, regulations and policy in all aspects, including but not limited to, determining levels of remuneration that are sufficient to attract, maintain and motivate executive directors while ensuring value for money.</p> <p>IV. in line with policy and relevant guidance, advise on and oversee contractual arrangements for Executive Directors including, but not limited to, provision of other benefits including pension and car allowances, payable expenses, any performance related pay where applicable, compensation, redundancy or termination payments.</p> <p>V. use national guidance and market benchmarking analysis in the annual determination of remuneration of Executive Directors of the Board and or Very Senior Managers on locally determined pay.</p> <p>VI. consider development of any performance related pay frameworks as and when required [note that our Trust doesn't currently have a PRF in place].</p>
5.	Membership
	<p>The committee should be composed of Non-Executive Directors and the Trust Board Chair.</p> <p>When appointing or removing the Chief Executive, the committee shall be the committee that is described in Schedule 7, 17(3) of the National Health Service Act 2006 as amended by the Health and Social Care Act 2012 (the Act) (that is all the Non-Executive Directors of the Board).</p> <p>When appointing or removing other Executive Directors of the Board the committee shall be the committee that is described in Schedule 7, 17(4) of the Act (that is the Trust Board Chair and Non-Executive Directors with the Chief Executive in attendance).</p>
6.	Attendees
	<p>Only members of the committee, detailed above, have the right to attend committee meetings.</p> <p>At the invitation of the committee, meetings shall normally also be attended by the Executive Director of People and Director of Corporate Governance and any Associate Non-Executive Directors, with the Chief Executive an attendee by invitation for specific agenda items (as detailed above).</p> <p>Other persons may be invited by the committee to attend a meeting so as to assist in deliberations. Any non-member, will be asked to leave the meeting should their own conditions of employment be the subject of discussion. Where Executive Directors of the Board or senior management are involved in advising or supporting the Remuneration and Nomination Committee, care should be taken to recognise and avoid conflicts of interest.</p> <p>No Director should be involved in deciding his or her own remuneration.</p>
7.	Chair, Quorum, Attendance and Meetings
	<p>Chair The Trust Board Chair shall Chair the committee.</p> <p>Quorum The committee will be quorate when three Non-Executive Directors (voting) are present at the meeting. The Trust Board Chair (Chair of the Committee), is also a Non-Executive Director for the</p>

purposes of quoracy. The Trust Board Vice Chair or another Non-Executive Director may be required to Chair this committee in the absence of the Trust Board Chair.

Attendance

Members are expected to attend all meetings. Apologies must be received by the Administrator in advance of the meetings. All members will be required to attend a minimum of two thirds of all meetings held annually. Members should not be absent for more than two consecutive meetings without the agreement of the Chair.

Any committee member may participate in a meeting by way of telephone, computer or other electronic means of communication provided that each person is able to hear and speak. A person participating in this way is deemed to be present in person although their actual location shall be noted in the minutes and is counted in the quorum and entitled to vote.

The meeting is deemed to take place where the largest group of those participating is assembled, or if there is no such group where the Chair of the meeting is located.

Meetings

Meetings shall be called as required, but at least once in each financial year.

A formal agenda and supporting papers will be forwarded to all members, and those in attendance where appropriate, three working days prior to the date of the meeting wherever possible.

The Executive Director of People will coordinate support to the committee and forward planning and will liaise with the Trust Board Chair (Committee Chair), and the Director of Corporate Governance, to draw up the agendas.

The committee will draw up an annual programme of those areas of its remit that may be planned and will undertake an annual review of the effectiveness of the committee in relation to fulfilling its terms of reference and provide reports to the board as required on decisions made.

Where a specific matter is deemed to be of a confidential nature and not appropriate for attendees to the meeting to be present, the Chair has the authority to restrict attendance to the meeting to members only and to ask all invitees to leave the meeting.

If any member or invitee has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, they will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until its consideration is completed.

8. Minutes and Reporting Arrangements

	<ul style="list-style-type: none"> • Formal minutes shall be taken of all committee meetings. • There are no Tier II groups reporting into this committee. • The committee will report to the Board after each meeting on discharge of its duties and key decisions made. The committee chair will draw to the attention of the Board an issues, or decisions for disclosure which require action. • The committee shall receive and agree a description of the work of the committee, its policies and all Executive Director of the Board emoluments in order that these are accurately reported in the required format in our Trust's Annual Report and Accounts • Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with our Trust. 								
9.	Administrative arrangements								
	<p>The committee will be supported by a nominated Administrator who will:</p> <ul style="list-style-type: none"> • produce a schedule of meetings and maintain the annual workplan for the committee. • prepare the agenda and papers with the Chair and Executive Lead and circulate five working days in advance of the meeting wherever possible. • maintain accurate records of attendance, key discussion points and decisions taken and issue necessary action logs within five working days of the meeting. • draft minutes, recording where the committee has delivered its purpose through relevant reports and subsequent discussion, debate and challenge, and where further information is required, for circulation to the meeting Chair within five working days of the meeting. • organise future meetings, and • file and maintain records of the work of the committee in the required corporate records folder. 								
10.	Meeting effectiveness review								
	<p>The committee shall at least once a year, review its own performance and terms of reference to ensure it is operating to maximum effectiveness and recommend any changes it considers necessary to the Board for approval.</p> <p>The committee shall undertake appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.</p> <p>A record of frequency of attendance by members, quoracy and frequency of meetings will be maintained. Any areas of concern will be highlighted to the Chair of the committee.</p>								
11.	Review to be conducted by Committee Chair (Trust Board Chair)								
	<table border="1"> <tr> <td>Date Committee established</td> <td>2016</td> </tr> <tr> <td>Terms of Reference to be reviewed</td> <td>Annually</td> </tr> <tr> <td>Date of last review</td> <td>March 2023</td> </tr> <tr> <td>Date of next review</td> <td>March 2024</td> </tr> </table>	Date Committee established	2016	Terms of Reference to be reviewed	Annually	Date of last review	March 2023	Date of next review	March 2024
Date Committee established	2016								
Terms of Reference to be reviewed	Annually								
Date of last review	March 2023								
Date of next review	March 2024								

Approved by Remuneration and Nomination Committee
1 March 2023