

# Council of Governors

## SUMMARY REPORT

Meeting Date: 22 June 2023  
 Agenda Item: 09

<b>Report Title:</b>	<b>Nominations and Remuneration Committee report to the Council of Governors</b>		
<b>Author(s):</b>	Deborah Lawrenson, Director of Corporate Governance		
<b>Accountable Director:</b>	Sharon Mays, Chair/Anne Dray, Senior Independent Director		
<b>Other meetings this paper has been presented to or previously agreed at:</b>	<b>Committee/Tier 2 Group/Tier 3 Group</b>	Nominations and Remuneration Committee	
	<b>Date:</b>	14 May 2023	
<b>Key points/ recommendations from those meetings</b>	The committee discussed and approved for onward reporting to the Council of Governors the updated Terms of Reference for the Committee.		

### Summary of key points in report

The committee received and approved the updated Terms of Reference for the committee for onward approval by the Council of Governors see **appendix 1**.

### Recommendation for the Council of Governors to consider:

<b>Consider for Action</b>		<b>Approval</b>	<b>X</b>	<b>Assurance</b>		<b>Information</b>	
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The Council of Governors is asked to:

- receive for approval the updated terms of reference for the Nominations and Remuneration Committee

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

Recover services and improve efficiency	Yes	✓	No	
Continuous quality improvement	Yes	✓	No	
Transformation – Changing things that will make a difference	Yes	✓	No	
Partnerships – working together to make a bigger impact	Yes	✓	No	

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

<b>Care Quality Commission Fundamental Standards</b>	Yes	✓	No		<b>Good Governance – Code of Governance</b>
<b>Data Security and Protection Toolkit</b>	Yes		No	✓	
<b>Any other specific standard?</b>				✓	

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, Engagement and Experience	Yes		No	✓	<b>Not required for this purpose</b>
Financial (revenue & capital)	Yes		No	✓	
Organisational Development /Workforce	Yes		No	✓	
Equality, Diversity & Inclusion	Yes		No	✓	
Legal	Yes		No	✓	
Environmental sustainability	Yes		No	✓	

## Terms of Reference

Document History:	
Version Number:	<b>3 (last updated 2020)</b>
Approved by:	<b>Council of Governors (pending June 2023)</b>
Date approved:	<b>Nomination and Remuneration Committee (of the Council of Governors) 22 June 2023</b>
Name of Committee	<b>Nomination and Remuneration Committee</b>
Type of Committee	<b>Committee of the Council of Governors</b>
<b>1.</b>	<b>Purpose of Committee</b>
	<p>The Nomination and Remuneration Committee (the 'committee') has been established to:</p> <ul style="list-style-type: none"> <li>• Advise and make recommendations to the Council of Governors on the selection process, appointment, remuneration terms and conditions, and where necessary, the removal of, the Chair and Non -Executive Directors</li> <li>• Review skills and balance of the Non-Executive Directors to support succession planning</li> <li>• Be responsible for monitoring the performance of the Chair and Non-Executive Directors</li> <li>• Be responsible for advising and making recommendations to the Council of Governors in respect of the approval the appointment of the Chief Executive following receipt of recommendations on this from the Board of Directors Remuneration and Nomination Committee.</li> </ul>
<b>2.</b>	<b>Scope</b>
	<p>The scope of the committee is limited to nomination and remuneration requirements related to the Chair and other Non-Executive Directors. It does not include the processes concerning the recruitment and remuneration of Associate Non-Executive Directors which resides with the Board of Directors or with the recruitment and remuneration elements related to the Chief Executive except where indicated in terms of onward reporting to the Council of Governors.</p>
<b>3.</b>	<b>Authority / Accountability</b>
	<p>The Nomination and Remuneration and Committee is constituted as a standing committee of the Council of Governors its constitution and terms of reference are set out below, and are subject to amendments at future Council of Governors meetings as required and in line with any changes made to the Trust Constitution.</p> <p>The committee is authorised by the Council of Governors 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 of Directors and the Council of Governors 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 and in consultation with its internal advisors.</p> <p>The Committee will receive reports from the Chair; the Executive Director of People; the Senior Independent Director and the Director of Corporate Governance as required, to support its deliberations and to enable it to fulfil its duties.</p>

4.	<p><b>Objectives of the Committee</b></p> <p>The committee is authorised by the Council of Governors to:</p> <ul style="list-style-type: none"> <li>• Carry out its duties as outlined in the terms of reference and to make recommendations to the Council of Governors on matters which require approval and in consultation with its internal advisors.</li> </ul>
	<p><b><i>Nominations and appointments</i></b></p> <p>The committee has delegated responsibility for:</p> <ul style="list-style-type: none"> <li>• Preparing a description of the role, responsibilities and requirements for the recruitment of the Chair and Non-Executive Directors taking into account the views of the Board of Directors</li> <li>• Approving recruitment documentation</li> <li>• Identifying and nominating suitable candidates for vacant roles</li> <li>• Periodically review the balance of skills, knowledge, qualifications, experience and diversity of the Chair and Non-Executive Directors having regard to the views of the Board of Directors and relevant guidance on Board composition</li> <li>• Ensuring compliance with the requirements outlined in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities and any subsequent updates), Regulations 201 and Regulation 5: Fit and Proper Persons requirements. The committee will receive an annual report provided by the Director of Corporate Governance, on Chair and Non-Executive compliance.</li> <li>• Evaluating the performance of the Chair and Non-Executive Directors with SID/Chair</li> <li>• Giving consideration to succession planning for the Chair and Non-Executive Directors, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future, with advice on this provided by the Chair and Director of Corporate Governance and Senior Independent Director as appropriate</li> <li>• Advising the Council of Governors in regard to any matters related to the removal of the Chair or Non-Executive Directors with advice provided by the Senior Independent Director and the Director of Corporate Governance as required</li> <li>• Participating in the shortlisting and appointment panels for appointment to roles within its remit</li> </ul> <p>Note: Termination of the Chair or a Non-Executive Director requires completion of a rigorous process with a number of steps undertaken before a recommendation will go forward to the Council of Governors. A decision on termination would require approval of three quarters of the members of the Council of Governors.</p>
	<p><b><i>Terms and Conditions including remuneration</i></b></p> <p>The committee has delegated responsibility for the following ensuring adherence with all relevant laws, regulations and guidance:</p> <ul style="list-style-type: none"> <li>• Recommending to the Council of Governors the remuneration and allowances and any other terms and conditions of the Chair and other Non-Executive Directors</li> <li>• Establishing levels of remuneration which are sufficient to attract, retain and motivate the Chair and other Non-Executive Directors of the quality and with the skills and experience required to successfully lead the Trust, whilst ensuring levels are appropriate for the roles, comparable with peers at similar sized NHS organisations, and at a level which is affordable to the Trust.</li> <li>• Taking appropriate benchmarking and market testing information into account, ensure that increases benchmark appropriately and are not made where Trust or individual performance do not justify them.</li> </ul>

	<ul style="list-style-type: none"> <li>• Receiving and evaluating reports about the performance of the Chair (by the Senior Independent Director) and the Non-Executive Directors (by the Chair); taking into account the views of the Chief Executive and any external advisors and key stakeholders</li> <li>• Annually reviewing the time commitment required for the roles of the Chair and the Non-Executive Directors</li> <li>• Overseeing other related arrangements for the Chair and Non-Executive Directors</li> <li>• Receiving reports from the Chair, Senior Independent Director, Executive Director of People and the Director of Corporate Governance and any external advisors appointed, as required to support the committee in discharging its duties.</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>• The remuneration of the Chair and Non-Executive directors should be reviewed at least every 3 years and when new appointments are made.</li> <li>• The role of Associate Non-Executive Directors (non-voting roles on the Board of Directors) lie within the remit directly of the Board of Directors for appointment, terms, and conditions.</li> </ul>
	<p><b>Succession Planning</b></p> <p>The committee is responsible for ensuring there are succession plans in place for the role of Chair and the other Non-Executive Directors taking into account terms of office, future challenges risks and opportunities faced by the Trust at any given time.</p> <p>In support of succession planning the committee will at least annually review the balance of skills, knowledge and experience of the Non-Executive Directors as advised by the Chair.</p>
	<p><b>Appointment of the Chief Executive</b></p> <p>The committee will receive recommendations from the Board of Directors Remuneration and Nomination Committee in respect of the appointment to the role of Chief Executive for onward recommendation for support from the Council of Governors.</p>
5.	<p><b>Membership</b></p>
	<p>The committee will be composed of</p> <ul style="list-style-type: none"> <li>• The Chair</li> <li>• Lead Governor</li> <li>• 2 Public Governors</li> <li>• 1 Service User/ Young Service User Governor</li> <li>• 1 Carer/Young Carer Governor</li> <li>• 1 Staff Governor</li> <li>• 1 Appointed Governor</li> </ul> <p>If the numbers nominated exceed the numbers of places available, membership will be discussed with the Lead Governor and a recommendation made to the Council of Governors.</p> <p>Where there are no nominees coming forward for a particular category members of Council of Governors can be co-opted to fill any vacancy.</p> <p>Only members of the committee or the regular attendees have the right to attend committee meetings.</p>
6.	<p><b>Attendees</b></p>
	<p>Neither the Chair nor any other Non-Executive Director should be involved in deciding his or her own remuneration.</p> <p>Other regular attendees will be:</p> <ul style="list-style-type: none"> <li>• Senior Independent Director</li> </ul>

	<ul style="list-style-type: none"> <li>• Director of Corporate Governance</li> <li>• Executive Director of People/Deputy Director of People as required</li> </ul> <p>Other persons may be invited to attend by the committee to assist in deliberations.</p>
7.	<p><b>Chair, Quorum, Attendance and Meetings</b></p> <p><b>Chair</b> The Trust Board Chair will chair the committee and in their absence or where appropriate to do so because of the nature of an item under discussion (i.e. where it relates to the chair), the Lead Governor or another member of the committee, at their request, will chair the meeting.</p> <p><b>Quorum</b> The committee will be quorate when five members of the committee are present which must include either the Chair or in their absence the Senior Independent Director.</p> <p><b>Attendance</b> 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.</p> <p>Any member of the committee who has not attended 3 meetings and has not sent their apologies and provided a reasonable explanation, may be asked to step down from the committee.</p> <p><b>Meetings</b> Meetings will be called as required, but at least twice in each financial year.</p> <p>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.</p> <p>The Head of Corporate Assurance will coordinate support to the committee and forward planning and will liaise with the Chair and the Director of Corporate Governance, to draw up the agendas.</p> <p>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 of Directors as required on decisions made.</p> <p>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.</p>
8.	<p><b>Minutes and Reporting Arrangements</b></p> <ul style="list-style-type: none"> <li>• Formal minutes shall be taken of all committee meetings.</li> <li>• There are no Tier II groups reporting into this committee.</li> <li>• The committee will report to the Council of Governors after each meeting on discharge of its duties and key decisions made. The Chair will draw to the attention of the Council of Governors any issues, or decisions for disclosure which require action.</li> <li>• The committee shall receive and agree a description of the work of the committee, its policies and all Chair and Non-Executive Director emoluments in order that these are accurately reported in the required format in our Trust's Annual Report and Accounts</li> <li>• Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with our Trust.</li> </ul>

<b>9.</b>	<b>Administrative arrangements</b>								
	<p>The committee will be supported by a nominated administrator who will:</p> <ul style="list-style-type: none"> <li>• Produce a schedule of meetings and maintain the annual workplan for the committee.</li> <li>• Prepare the agenda and papers with the Chair and the Director of Corporate Governance. and circulate three working days in advance of the meeting wherever possible.</li> <li>• Maintain accurate records of attendance, key discussion points and decisions taken and issue necessary action logs within five working days of the meeting.</li> <li>• 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.</li> <li>• Organise future meetings, and</li> <li>• File and maintain records of the work of the committee in the required corporate records folder.</li> </ul>								
<b>10.</b>	<b>Meeting effectiveness review</b>								
	<p>The committee will 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 Council of Governors for approval.</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.</p>								
<b>11.</b>	<b>Review to be conducted by Committee Chair (Trust Board Chair)</b>								
	<table border="1"> <tr> <td><b>Date Committee established</b></td> <td>2009</td> </tr> <tr> <td><b>Terms of Reference to be reviewed</b></td> <td>Annually</td> </tr> <tr> <td><b>Date of last review</b></td> <td>June 2023</td> </tr> <tr> <td><b>Date of next review</b></td> <td>June 2024</td> </tr> </table>	<b>Date Committee established</b>	2009	<b>Terms of Reference to be reviewed</b>	Annually	<b>Date of last review</b>	June 2023	<b>Date of next review</b>	June 2024
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