## Title
| Nominations and Remuneration Committee |

## Purpose
- For information.

## History
- Draft unapproved minutes attached subject to formal approval.
Council of Governors’ Nominations and Remuneration Committee

DRAFT Unapproved Minutes of the meeting of the Council of Governors’ Nominations and Remuneration Committee held on Friday 10 March 2017 at 10:00 in the Boardroom, Level 3, John Radcliffe Hospital.

Present: Dame Fiona Caldicott FC Trust Chairman
Mrs Margaret Booth MB Public Governor, Oxford City
Mr Martin Havelock MHa Public Governor, Vale of White Horse
Mrs Anita Higham OBE AH Public Governor, Cherwell
Mr Brian Souter BSo Public Governor, Bucks, Berks, Glos & Wilts
Dr Chris Winearls CW Staff Governor, Clinical

In attendance: Mrs Sue Chapman SC Public Governor, West Oxfordshire (for items CoGNR16/12/04ii and iii)
Mrs Susan Polywka SP Head of Corporate Governance and Trust Board Secretary
Mr Mark Power MP Director of Organisational Development & Workforce
Ms Carmel Gibbons CGi Odgers Berndston (for items CoGNR16/12/04ii and iii)
Mr Chris Hamilton CH Odgers Berndston (for items CoGNR16/12/04ii and iii)

Apologies: Mrs Rosemary Herring RH Public Governor, Northants & Warks

The minutes are produced in the order of the agenda, but Agenda Items 4ii and iii were taken as the first items of business, the discussion of which is noted under CoGNR17/03/04ii and iii below

CoGNR17/03/01 Apologies, welcome and declarations of interest

Apologies for absence had been received from Mrs Rosemary Herring.

The Trust Chairman welcomed all members of the Committee.

Members of the Appointment Panel for the upcoming Non-Executive Director [NED] appointment (Panel convened under paragraph 2.9 of Annex 8, Appendix 4 of the Constitution) had been invited to attend the meeting.

The Chairman welcomed Mrs Sue Chapman (who arrived slightly late, due to traffic delays) as one of the Public Governors who had been elected to sit on the Appointment Panel.

The other member of the Appointment Panel (convened under paragraph 2.9 of Annex 8, Appendix 4 of the Constitution), who was not also a member of the Nominations and Remuneration Committee, was Martin Howell, Appointed Governor representing Oxford Health NHS Foundation Trust. Mr Howell was unable to attend.

Mr Mark Power was in attendance in his capacity as Director of Organisational Development and Workforce. He introduced Ms Carmel Gibbons and Mr Chris Hamilton from the Search Company selected by the Appointment Panel, Odgers Berndston, to present the methodology and progress made to date in recruitment of a NED to replace Mr Alisdair Cameron.
The Trust Chairman proposed that Agenda Items 4ii and iii be considered as the first items of business, after which SC, CGI and CH would be free to leave.

Mrs Anita Higham declared an interest, as Chairman of the North Oxfordshire Locality Forum.

**CoGNR17/03/02 Minutes of the meeting held on 12 December 2016**

MB requested amendment to the draft minutes of the meeting held on 12 December 2016 as follows (amendment shown in *bold italics*):

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CoGNR16/12/04 Proposed draft process for appointment of Non-Executive Directors [NEDs]

....

Points raised in discussion included the following:

....

MB submitted that the *generic* person specification *would always need to be tailored to the specific appointment to be made*.
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**CoGNR17/03/03 Matters arising and Action Log**

The Action Log was reviewed and the current status of items was noted as recorded.

In relation to the meeting dates proposed for 2017, AH asked if the time (or date) of the meeting scheduled on 5 May could be moved, to accommodate Governors’ attendance at the End of Life Care Symposium scheduled to start at 13:00 on 5 May. *(Post-meeting note: see further under CoGNR17/03/07 below).*

**Action: SP**

As a matter arising in relation to **CoGNR16/12/05 Updated outline timetable for NED recruitment; and Work Programme 2016/17**, MB asked that her request be met for provision to be made for earlier involvement of Governors in the process of appraisal of NEDs, and further details provided at the next meeting of the Council of Governors on 7 April 2017.

**Action: MP**

**CoGNR16/12/04i Process for appointment of Chairman and other Non-Executive Directors [NEDs]**

MB contended that Committee members present did not consider that the *Process for appointment of Chairman and other Non-Executive Directors [NEDs]* had been approved by the Council of Governors at its meeting held on 19 January.

MHa expressed dissent from that view.

SP stated that, with the initial draft document having been revised in the light of comments raised by Governor members of the NRC at its meeting held on 12 December, and having checked with Governor members of the NRC before circulating the revised version to all Governors in advance of the meeting of the Council of Governors on 19 January, she had noted only one other point raised at that meeting of the Council of Governors in relation to the document. This had been the suggestion made by Rosemary Herring that, at s2.3 of the *Process for Appointment of Trust Chairman and other NEDs*, it should be made clear that
employment by any predecessor organisation of the Trust within the last 5 years would be relevant when determining the independence of NEDs.

It had been confirmed to the Council of Governors that no further steps were required under the Constitution for the Appointment Panel to proceed towards making its recommendation to Council in relation to the upcoming NED appointment, and SP stated that she had understood that the Council as a whole supported the need to make progress, in accordance with the Process as circulated.

MP had confirmed to the Council of Governors that he would be happy to receive and respond to any further points put forward for consideration by the Appointment Panel, but none had been received.

MB confirmed that she would now be happy to submit her further comments in writing, indicating that these were not fundamental.

MP and SP asked if MB could clarify the basis of her reservations about the Process for appointment of Chairman and other Non-Executive Directors [NEDs], in response to which MB cited as an example the provision for the Appointment Panel to be "guided" by the Director of Organisational Development and Workforce (specifically, at paragraph 3.3, when considering engaging the services of an executive search company). MB contended that the role of the Director of Organisational Development and Workforce should be limited to one of support.

FC stated that the current NED appointment would proceed in accordance with the Process for appointment of Chairman and other Non-Executive Directors [NEDs].

CoGNR16/12/04ii  Report from Appointment Panel including Candidate brief and advertisement

CoGNR16/12/04iii Presentation from Search Company selected by the Appointment Panel covering
  • Methodology
  • Timetable; and
  • Progress to date

CGi presented the documentation which had been developed with full involvement of the Appointment Panel, including the Candidate Brief, Job Description, Person Specification and Advertisement.

In discussion, consideration focused on the essential criteria stipulated, both in respect of the need to maintain the appropriate balance of skills and experience required on the Board, and to ensure that these did not introduce inappropriate hurdles which might unnecessarily limit the pool of suitable candidates, and thereby constrain the ability to achieve greater diversity on the Board.

CGi and CH advised that Odgers Berndtson considered that the Person Specification drawn up should enable them to gather a wide field of suitable candidates.

FC suggested that, in addition to the criteria specified, experience of active engagement with partnership working might be strongly desirable.

AH suggested that the ability to demonstrate awareness of and insight into local community issues would be very important.
BS asked whether geographical eligibility should be restricted, to ensure that the candidate appointed was not too remote from the area which the Trust served. It was clarified that, inasmuch as the Trust’s public constituencies included ‘rest of England’ (reflecting the fact that it was a tertiary centre for specialist services), eligibility to apply would not be restricted any more narrowly than that. However, it would be reasonable to consider how a candidate’s domicile might affect their ability to discharge the role.

BS also asked whether the essential requirement for ‘financial literacy’ indicated that financial qualifications would be considered as the most important criterion. FC confirmed that the Appointment Panel had deliberately sought to broaden the search, and if the candidate appointed did not have financial qualifications, membership of the Audit Committee and of the Finance and Performance Committee could if necessary be strengthened by co-opting, or appointing, an Associate NED who was a qualified accountant.

CGi and CH confirmed that the advertisement had been placed on the Odgers Berndtson website, and with the Sunday Times on-line, from where it was expected that it would be disseminated through many other websites. In their experience, it was not worth incurring the significant additional cost of placing an advertisement in the hard print media.

The question of whether the level of remuneration should be explicitly stated in the advertisement was discussed. BS reported that it appeared to be the custom for the level of remuneration to be stated in advertisements which he had seen on-line. MB commented that, when reviewing the level of remuneration for NEDs, it had been argued that suitable candidates might be discouraged from applying if the remuneration was not broadly in line with that offered by comparable trusts. CW and AH expressed the opinion that the level of remuneration need not necessarily be stated ‘up-front’, inasmuch as it was not expected that the remuneration offered would be the primary reason why a candidate applied, and CGi and CH confirmed that this was borne out by their experience.

Post-meeting note: The level of remuneration has now been included in the advertisement, in line with other advertisements for Non-Executive Directors in FTs that appear on the Sunday Times website.

It was agreed that all Governors should be invited to contact Odgers Berndston with details of any candidates whom they felt might be suitable for consideration.

Action: MP

Discussion then turned to consideration of the Job Description. MB remarked that the general responsibilities as stated should make more direct reference to the healthcare environment within which the responsibilities were to be discharged, and AH agreed.

MB also stated that undue emphasis was placed on the "other duties and responsibilities" as stated at section 6, which could put off suitable candidates. It was confirmed that this section could not be omitted, as it is necessary to indicate requirements that an individual would be expected to meet in line with the trust’s policies..

CGi reported on progress in the search to date, and confirmed that a long list would initially be submitted to the Appointment Panel, to identify candidates who would then undergo a preliminary interview conducted by Odgers Berndston. The outcome
of preliminary interviews would be reported to the Appointment Panel before short-listing was undertaken.

Short-listed candidates would then be interviewed by the Appointment Panel, on the basis of which the Appointment Panel would formulate its recommendation for appointment, to be submitted to the Council of Governors, supported by Odgers Berndston’s report on the recruitment campaign.

It was anticipated that interviews should be held before the end of May.

Given that the next meeting of the Council of Governors after 7 April was not until 5 July, it was suggested that an extraordinary meeting of the Council of Governors would need to be convened, to consider the recommendation for appointment so that it could be confirmed whether or not this was accepted, and the outcome reported to the candidate without unreasonable delay.

**CoGNR17/03/05 Process for appraisal of Non-Executive Directors**

**Checklist for NED observation**

A checklist for Governors’ observation of NEDs had been circulated.

SP reported her understanding that this had been developed by the Senior Independent Director, in liaison with the Lead Governor, who had in turn conferred with other Governors.

MHa confirmed that it was his understanding that it was intended that the Checklist might aid Governors in discharging their duty to hold NEDs to account, and that it might inform review of the NED appraisal process. MP confirmed that it was his understanding that it was intended to enhance the NED appraisal process.

MB and AH stated that they had not been consulted on development of the Checklist, and MB contended that its purpose and relevance to the NED appraisal process was not clear.

MB re-iterated her request that provision be made for the earlier involvement of Governors in the NED appraisal process, and asked that further details be provided at the next meeting of the Council of Governors on 7 April 2017.

**Action: MP**

**CoGNR17/03/06 Final Board Review Report**

FC invited any comment on the Final Report of the Board Governance Review, undertaken by Capsticks Governance Consultancy, the recommendations of which were being considered by the Board.

The Final Report would be made available to all Governors in full, and was scheduled for further discussion at the Joint Board/Governors’ Seminar to be held on 29 March 2017.

Post meeting note – owing to the pressure of other items at the seminar, this was deferred until the next meeting of the Council of Governors on 7th April.

**CoGNR17/03/07 Any other business**

FC confirmed that the constitutional position and associated governance arrangements for the Nominations and Remuneration Committee, and its relationship to the requirements for an Appointments Panel under Annex 8, Appendix
4 of the Constitution, would be reviewed and a report submitted to the Council of Governors. It was suggested that this should be addressed once the current NED appointment was concluded.

Action: SP

CoGNR17/03/08 Date of next meeting

AH asked if the time (and or date) of the next meeting could be rearranged, so as to accommodate members’ attendance at the End of Life Care Symposium due to be held from 13:00 on 5 May.

Post-meeting note: It is proposed that the next meeting be re-scheduled to accommodate a joint meeting between the Nominations and Remuneration Committee, and the Appointment Panel, at which the outcome of shortlisting can be shared for consideration. SP will contact all members by email to canvas their availability.

Action: SP