

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 14 July 2017 at 10:30 in the Boardroom, Level 3, John Radcliffe Hospital.

Present:	Dame Fiona Caldicott	FC	Trust Chairman
	Mr Martin Havelock	MHa	Public Governor, Vale of White Horse
	Mrs Rosemary Herring	RH	Public Governor, Northants and Warwickshire
	Mrs Anita Higham OBE	AH	Public Governor, Cherwell
	Mr Brian Souter	BSO	Public Governor, Bucks, Berks, Glos & Wilts

In attendance:	Mr Christopher Goard	CG	Non-Executive Director, Senior Independent Director
	Ms Susan Young	SY	Interim Director of Workforce
	Ms Susan Polywka	SP	Head of Corporate Governance and Trust Board Secretary

Apologies	Dr Chris Winearls	CW	Staff Governor, Clinical
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*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*

CoGNR17/07/01 Apologies, welcome and declarations of interest

Apologies for absence had been received from Dr Chris Winearls.

The Trust Chairman welcomed all members of the Committee and Ms Susan Young, who had been invited to introduce item **CoGNR17/07/04i** *Appraisal Process for Non-Executive Directors*.

The Trust Chairman confirmed that she would recuse herself from consideration of item **CoGNR17/07/04ii** *Appraisal Process for the Chairman*, which would be introduced by Mr Goard, in his role as Senior Independent Director.

AH declared that she was Chair of the North Oxfordshire Locality Clinical Commissioning Group Patient and Public Forum.

CoGNR17/07/02 Minutes of the meeting held on 10 March 2017

The minutes of the meeting held on 10 March 2017 were accepted as a true and accurate record, subject to the following amendment (shown in ***bold italics***):

CoGNR17/03/07 Any other business

FC confirmed that the constitutional position and associated governance arrangements for the Nominations and Remuneration Committee would be reviewed It was suggested that this should be addressed ***ed*** once the current NED appointment was concluded."

CoGNR17/07/03 Matters arising

MHa noted that, during the recruitment process to fill the most recent Non-Executive Director [NED] vacancy, it had been suggested that consideration might be given to appointing an Associate NED with financial qualifications, if required to strengthen membership of the Audit Committee and Finance and Performance Committee.

FC confirmed that, given that the candidate whose appointment had just been confirmed by the Council of Governors was a qualified accountant, it would not be necessary to pursue the appointment of an Associate NED at this time, but this might be considered further at a future point.

CoGNR17/07/04i Appraisal Process for Non-Executive Directors [NEDs]

SY introduced a draft process for the appraisal of Non-Executive Directors [NEDs], based on her experience of the process as implemented in other foundation trusts, and taking into account guidance from NHS Improvement.

In undertaking a detailed review of the draft appraisal process for NEDs, points raised by members of the Committee included:

- Need to include provision for the Council of Governors to receive assurance at the end of the appraisal cycle that the process as agreed by Council had been followed by the Chairman in carrying out the NED appraisals;
- Key principles of the appraisal process should include a statement of its confidentiality;
- It should also be expressly stated that adequate time must be given to undertake the appraisal, which should be carried out in an appropriate environment.
- Criteria highlighted as being particularly pertinent when appraising the performance of NEDs included the following:
 - Knowledge of the Trust
 - Commitment and attendance at Board, Committee meetings, and Council of Governors meetings;
 - Able to hold colleagues to account in a constructive way;
 - Application of the principles of good governance;
 - Behaviours in line with the trust's values;
 - Patient, carer and local community focus
 - Ability to understand the detail as well as the bigger picture;
 - Self-development;
 - Self-belief and emotional resilience;
 - Chairing Committee meetings, where appropriate.
- Provision should be made for the Chairman to seek informal 360 degree, to include feedback from Board peers, Divisional Directors and Governors;
- NEDs self-assessments should be undertaken against the NED job description;

SY was asked to revise the draft process, taking into account all comments made.

IT WAS AGREED that the revised process for the appraisal of NEDs should then be circulated to provide all Governors with the opportunity to comment thereon.

Action: SY

Subject to any further comments received from any Governors, the Trust Chairman would aim to undertake NED appraisals during September 2017.

Action: FC

It was proposed that the Trust Chairman would subsequently present a confidential report of the outcome of the NEDs' appraisals to the Committee (*or its successor, as proposed under CoGNR17/07/06 below*).

Action: FC

CoGNR17/07/04ii Appraisal Process for the Trust Chairman

FC withdrew from the meeting, handing over the chair to Mr Christopher Goard, in his role as Senior Independent Director.

Mr Goard re-capped the process that had been developed with Governors for appraisal of the Chairman in the previous year, and outlined some changes proposed further to develop the process.

Following a detailed discussion of the principles and mechanism for appraisal of the Trust Chairman, IT WAS AGREED that Mr Goard would revise the pro forma to be circulated to all Governors, and would aim to canvas the views of all Governors by the end of September 2017.

Action: CG

CoGNR17/07/05 Review of upcoming Non-Executive Director vacancies

FC returned to the meeting, and resumed the chair.

SP had circulated a schedule of the current terms of office of all NEDs, showing that those due to expire before the end of the calendar year 2017 were as follows:

- i. Professor Sir John Bell's current term of office was due to expire on 31 October 2017;
- ii. Mrs Anne Tutt's current term of office was due to expire on 30 November 2017; and
- iii. Mr Peter Ward's current term of office was due to expire on 30 November 2017.

In relation to Professor Bell, it was confirmed that the nomination of a successor was to be made by the University of Oxford, and FC reported that this was understood to be under discussion by the University.

Upon receipt of the University's nomination, this will be submitted to the Council of Governors with the recommendation that the nomination be accepted, and the appointment formally made by the Council of Governors.

FC confirmed that Mrs Tutt had indicated that she would be willing to have her term of office renewed, and FC reported that Mrs Tutt's reappointment would have the support of other members of the Board.

Strong support was expressed by members of the Committee for Mrs Tutt's performance in the discharge of her duties as a NED, including in her role as Chairman of the Audit Committee, and Vice-Chairman of the Finance and Performance Committee. It was also recognised that, given turnover in other Executive and Non-Executive Directors on the Board, there would be value in the continuity which she could provide.

It will be recommended to the Council of Governors that Mrs Tutt be reappointed without a process of open competition.

FC confirmed that she would aim to undertake Mrs Tutt's appraisal ahead of the next meeting of the Council of Governors. It was not expected that this would raise any issues of concern, but should provide further assurance when considering the recommendation for Mrs Tutt's reappointment.

In relation to the expiry of Mr Ward's current term of office, FC reported that he had indicated that he would not be seeking any extension to his term of office.

Consideration was given to whether the pool of candidates for the recent NED vacancy might yield any suitable candidates. SY advised that it had been made clear to Odgers Bernston that it was expected that its fees would be less than for full, fresh search, and this had been accepted by them.

It will be recommended to the Council of Governors that the recruitment process be initiated for the appointment of a new NED to replace the vacancy that will arise upon expiry of Mr Ward's current term on office on 30 November 2017.

CoGNR17/07/06 Review of membership and terms of reference

The Committee noted that, in line with the requirements of the Constitution to convene a formal Appointment Panel for the recruitment of a Non-Executive Director, membership of the Appointment Panel for recruitment to the recent NED vacancy had comprised:

- Dame Fiona Caldicott, as Trust Chairman (and Chairman of the Appointment Panel);
- Sue Chapman and Martin Havelock, as elected public governors (selected by secret ballot, as the number of governors who wished to serve was greater than the number of places available);
- Dr Chris Winearls, as elected staff governor; and
- Martin Howell, as appointed governor.

There was clearly overlap between membership of the Appointment Panel, and of the *Governors' Nominations and Remuneration Committee* and FC proposed that consideration be given to merge the two entities; effectively to create a 'committee within a committee'.

Membership of the Appointment Panel for any NED appointment, in line with the requirements of the Constitution, would then effectively form a sub-set of the overarching Committee.

BS and AH expressed strong support for such a merger. MHa agreed that it would make sense to clarify what had been an overlap of membership and function.

Subject to any further comments received, it was agreed that SP and NS should be asked to draft proposed terms of reference for the newly merged entity, for consideration by the Council of Governors at its next meeting on 5 October 2017.

CoGNR17/07/07 Any other business**Scope for future appointment of Associate Non-Executive Director [NED]**

There was further discussion of the extent to which the appointment of an Associate NED might provide greater scope to achieve greater diversity on the Board.

The essential criteria for appointment as an Associate (non-voting) member of the Board need not be so stringent, inasmuch as explicit provision could be made for further development with appropriate support while in post, and it was considered that this might afford the opportunity to attract candidates with potential, if not yet a proven track record.

Members of the Committee were broadly supportive of such an approach being considered.

CoGNR17/07/08 Date of next meeting

The date of the next meeting will be set once the Council of Governors has given consideration to the proposed merger of the *Governors' Nominations and Remuneration Committee* with the Appointment Panel for NED Recruitment.

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