



Council of Governors' Meeting: Monday 30 April 2018

CoG2018.14

Title	Report from the Governors' Remuneration, Nominations and Appointments Committee
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Status	For information and approval
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Executive Summary

<p>1. Since the last meeting of the Council of Governors held on 30 January 2018, the Governors' Remuneration, Nominations and Appointments Committee [RNAC] has met once, on 18 April 2018.</p>
<p>2. This paper provides an update on the business that was considered by RNAC at its latest meeting, and makes recommendations for consideration and approval by Council.</p>
<p>3. Business considered by the Committee included:</p> <ul style="list-style-type: none">• An update on recruitment of Non-Executive Directors;• Proposals to extend the initial term granted upon first renewal of current Non-Executive Directors; and• Process for appointment of a New Chairman
<p>4. After due consideration, the Committee</p> <ul style="list-style-type: none">• expressed its support for the proposal to explore the scope for appointment to developmental roles which may in time equip an individual to re-apply for appointment as Non-Executive Director, and recommended that this be endorsed by Council;• recommended that the term of Mr Geoff Salt be extended by one year, to run up to 15 April 2020;• recommended that the term of Mr Christopher Goard be extended by one year, to run up to 12 October 2019;• recommended that the term of Professor David Mant be extended by one year, to run up to 12 October 2019; <p>and</p> <ul style="list-style-type: none">• recommended that expressions of interest to join an expanded membership of RNAC be invited from any Governor whose term of office does not end in September 2018;• recommended that approval be given to convene the Appointment Panel for the Chairman in accordance with the Constitution; <p><i>and that in so doing</i></p> <ul style="list-style-type: none">• membership of the Appointment Panel for the Chairman should build on the membership of the Appointment Panel for Non-Executive Directors [NEDs];• with new and additional members of the Appointment Panel for the Chairman to be Governors whose terms of office are not due to end in September 2018; <p><i>and, subject to sufficient interest being expressed</i></p> <ul style="list-style-type: none">• permitting the appointment of additional 'alternates' to the Appointment Panel for the Chairman, to cover the eventuality that some members (drawn from those who served on the Appointment Panel for NEDs) may not continue in office after the next round of elections.
<p>5. Recommendation</p> <p>Council is asked to note the report and approve the recommendations made by the Committee.</p>

Governors' Remuneration, Nomination and Appointments Committee

A. Introduction

1. Since the last meeting of the Council of Governors held on 30 January 2018, the Governors' Remuneration, Nominations and Appointments Committee [RNAC] has met once, on 18 April 2018.
2. Minutes of the RNAC meeting held on 18 April 2018 will be submitted to the next meeting of Council.
3. This paper provides an update on the business that was considered by RNAC at its latest meeting, and makes recommendations for consideration and approval by Council.

B. Update on recruitment of Non-Executive Directors

4. The Committee received an update on the outcome of deliberations by the Appointment Panel for Non-Executive Directors [NEDs]. That Appointment Panel had been convened in accordance with the Constitution to recruit a replacement NED following the departure of Mr Peter Ward at the end of his term of office on 30 November 2017.
5. The Committee heard that the Appointments Panel had concluded that it was unable to recommend the appointment of a new Non-Executive Director from amongst the candidates who were interviewed for this role, notwithstanding the strength overall of the field that was identified by Odgers Berndtson, search consultants.
6. The Panel did, however, suggest that one or more of the candidates interviewed could, after appropriate development and support, be re-considered at a later date for appointment to the role of Non-Executive Director.
7. The Committee was then asked to consider a proposal to provide developmental opportunities to these individuals, further details of which are provided in *Paper CoG2018.16*.
8. The appointment of individuals to developmental roles that will not be one of a Non-Executive Director on the Board is not the responsibility of the Council of Governors, but the Board would wish to provide Governors with the opportunity to comment on the proposal.
9. At the point when the post-holder(s) may be re-considered for appointment to the role of Non-Executive Director, that appointment must be made by the Council of Governors.
10. The Committee noted that the individuals whom it is proposed may be considered for appointment to developmental roles were identified as part of a recruitment process undertaken with governor involvement on the Appointment Panel for Non-Executive Directors.
11. The Committee was supportive of providing opportunities to develop individuals in a way that ultimately can support the Trust's goal of increasing the diversity and representativeness of its Board.
12. **The Committee expressed its support for the proposal to explore the scope for appointment to developmental roles which *may* in time equip an individual to re-apply for appointment as Non-Executive Director, and recommends that this be endorsed by Council.**

C. Extension of initial term granted upon first renewal of current Non-Executive Directors

13. The Committee considered the dates upon which current NEDs' terms of office were due to expire during 2018, and the first quarter of 2019.
14. It was noted that the Chairman's term of office was due to expire on 7 March 2019, and the process for appointment of a new Chairman is to be considered further by Council, with reference to *Paper CoG2018.15*.
15. In the context of the significant change anticipated to composition of the Board, taking into account Executive Director appointments, and mindful of the fact that the most recent round of NED recruitment had not yielded any immediately appointable candidates, the Committee was asked to support extension of the initial terms that had been granted upon first renewal of three of the current Non-Executive Directors: Mr Geoff Salt, Mr Christopher Goard and Professor David Mant.
16. Committee members voiced their appreciation of the valuable contribution made by each of the Non-Executive Directors, and wished expressly to acknowledge thanks for the commitment given by the NEDs to the Trust.
17. Mr Geoff Salt, Vice Chairman, Non-Executive Director and Chairman of the Finance and Performance Committee was initially re-appointed on first renewal for a term of two years, up to 15 April 2019 (against a maximum three year term permitted under the Constitution).
18. **The Committee recommends that the term of Mr Geoff Salt be extended by one year, to run up to 15 April 2020.**
19. Mr Christopher Goard, Senior Independent Director and Non-Executive Director was initially re-appointed on first renewal for a term of two years, up to 21 October 2018 (against a maximum three year term permitted under the Constitution).
20. **The Committee recommends that the term of Mr Christopher Goard be extended by one year, to run up to 12 October 2019.**
21. Professor David Mant, Non-Executive Director and Chairman of the Quality Committee was initially re-appointed on first renewal for a term of two years, up to 21 October 2018 (against a maximum three year term permitted under the Constitution).
22. **The Committee recommends that the term of Professor David Mant be extended by one year, to run up to 12 October 2019.**

D. Appointment of a New Chairman

23. Council will be asked to consider further the process for appointment of a new Chairman by reference to *Paper CoG2018.15*, and will in particular be asked to consider the draft 'Request for Proposals' from external search consultants, and the criteria for selection of a specialist provider.
24. At its meeting held on 18 April, RNAC noted the Constitutional requirement to convene an Appointment Panel for the Chairman, with the following membership:
 - Vice Chairman of the Trust (Chairman of the Panel)
 - Three public governors
 - One staff governor
 - One appointed governor

25. The Committee noted that Council had previously agreed that the Appointment Panel for any specific vacancy arising would be established as a sub-group of the Governors' *Remuneration, Nominations and Appointments Committee* [RNAC].
26. The Committee supported the proposal that membership of the Appointment Panel for the Chairman should build on the membership of the Appointment Panel for Non-Executive Directors [NEDs], to benefit from experience gained in that process.
27. In order to strike an appropriate balance between drawing on the benefit of previous experience in NED recruitment, and ensuring that continuity can be provided through to the end of the process for appointment of the Chairman, the Committee further supported the proposal that new and additional members of the Appointment Panel for the Chairman should be Governors whose terms of office are not due to end in September 2018.
28. In order to provide a sufficiently large pool from which to draw new and additional members of the Appointment Panel for the Chairman, the Committee agreed that expressions of interest in joining an expanded membership of RNAC should be invited from any Governor whose term of office is not due to end in September 2018.
29. Subject to sufficient interest being expressed, the Committee supported the appointment of additional 'alternates' to the Appointment Panel for the Chairman, to cover the eventuality that some members (drawn from those who served on the Appointment Panel for NEDs) may not continue in office after the next round of elections.
30. **The Committee therefore recommends::**
- **that expressions of interest to join an expanded membership of RNAC be invited from any Governor whose term of office is not due to end in September 2018;**
 - **that approval be given to convene the Appointment Panel for the Chairman in accordance with the Constitution;**
- and that in so doing*
- **membership of the Appointment Panel for the Chairman should build on the membership of the Appointment Panel for Non-Executive Directors [NEDs];**
 - **with new and additional members of the Appointment Panel for the Chairman to be Governors who are not up for re-election in July 2018;**
- and subject to sufficient interest being expressed*
- **permitting the appointment of additional 'alternates' to the Appointment Panel for the Chairman, to cover the eventuality that some members (drawn from those who served on the Appointment Panel for NEDs) may not continue in office after the next round of elections.**

Dame Fiona Caldicott, Chairman

Paper prepared by: Susan Polywka, Oxford University Hospitals NHS Foundation Trust Secretary

April 2018