

Council of Governors: 16.10.2018
 Agenda Item: CGo.10.18.10

Nominations and Remuneration Committee (NRC) Membership

Presented by:	Jacqui Maurice, Head of Corporate Governance	Author:	Jacqui Maurice, Head of Corporate Governance
Previously considered by:	N/A		

Key points	Purpose:
1. The NRC term end of Mr David Walker is 4 December 2018.	To note
2. In line with the NRC terms of reference; the membership of the committee shall consist of at least six governors including at least three public/patient governors.	To note
3. The Council of Governors is asked to approve the process for the appointment of a Governor to the NRC to replace Mr David Walker	To approve

Executive Summary:

Background information

In line with the NRC Terms of Reference, the Council of Governors is required to agree the membership of the NRC. The NRC terms of reference is attached at Appendix 1.

The current Governor membership of the Committee is as follows

- Professor Marina Bloj, Partner Governor
- Mr Alan English, Public Governor
- Ms Wendy McQuillan, Public Governor
- Ms Hardev Sohal, Patient Governor
- Mr David Walker, Public Governor
- Ms Ruth Wood, Staff Governor

NRC term end

The NRC term end of Mr David Walker, Public Governor is 4 December 2018. One Governor is required to replace Mr Walker as a member of the NRC effective from 5 December 2018.

Proposed process for the appointment of a Governor to the NRC

Any Governor interested in joining the NRC is requested to confirm their self-nomination with the Head of Corporate Governance by Tuesday 23 October 2018.

Governors are asked to note that:

- Where only one nomination is received the Governor will be confirmed as a member of the NRC.
- In the event of self-nominations being received from two or more Governors a vote will be held with regard to the vacancy.

Where a vote is held;

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Executive Summary:

- Governors will be asked to provide a statement to support their nomination. This statement will be required by Tuesday 30 October 2018.
- Governors will be provided with the nominees statements on Thursday 1 November and requested to confirm their vote by Thursday 8 November 2018.

The result will be communicated to the Council of Governors by Monday 12 November.

Recommendation for approval

The Council of Governors is asked to approve the process outlined above for the appointment of a Governor to the Governor's Nominations and Remuneration Committee.

Appendix 1

Terms of Reference for the Council of Governors Nominations and Remuneration Committee

Please note that all references in these Terms of Reference to Non-Executive Directors are to be taken to include the Chair, unless specifically indicated otherwise.

1 Authority

- 1.1 The Council of Governors' Nominations and Remuneration Committee (the Committee) is constituted as a Committee of the Council of Governors. Its constitution and Terms of Reference shall be as set out below, subject to amendment at future meetings of the Council of Governors.
- 1.2 The Committee is authorised by the Council of Governors to act within its Terms of Reference.
- 1.3 The Committee is authorised by the Council of Governors, subject to funding approval by the Director of Governance and Corporate Affairs, to request professional advice and request the attendance of individuals and authorities from outside the Foundation Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.
- 1.4 The Committee is also authorised to request such internal information as is necessary and expedient to the fulfilment of its functions.

2 Conflicts of interest

- 2.1 The Chair of the Foundation Trust, or any Non-Executive Director present at Committee meetings, will withdraw from discussions concerning their own re-appointment, remuneration or Terms of Service.

3 Membership

- 3.1 The membership of the Committee shall consist of at least six Governors including at least three Public/Patient Governors. Members will be appointed by the Council of Governors.
- 3.2 In the first year following the establishment of the Committee a rolling length of tenure shall apply whereby:

- Two Governors – will have a one year length of tenure
- Two Governors – will have a two year length of tenure
- Two Governors – will have a three year length of tenure

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Further appointments to the Committee following the first year shall be for three years for each Governor or, until their period as Governor comes to an end (whichever occurs first). Governors are able to serve more than one three year length of tenure.

- 3.3** The Committee will normally be chaired by the Foundation Trust Chair. Where the Chair has a conflict of interest, for example when the Committee is considering the Chair's re-appointment or remuneration, the Committee will be chaired by the Governor agreed by the Committee.

- 3.4** A quorum shall be three members, two of whom must be Governors.

4 Secretary

- 4.1** The Trust Secretary shall be available to advise the Committee.

5 Attendance

- 5.1** Only members of the Committee have the right to attend Committee meetings.
- 5.2** At the invitation of the Committee, meetings shall normally be attended by the Chief Executive, Director of Governance and Corporate Affairs and, Director of Human Resources.
- 5.3** Other persons may be invited by the Committee to attend a meeting so as to assist in deliberations.

6 Frequency of meetings

- 6.1** Meetings shall be held as required, but at least twice in each financial year.
- 6.2** At the request of the Chair, the Committee may hold meetings by telephone, video link or by email exchange. Normal rules relating to quoracy will apply to the functioning of such a meeting. These meetings will be deemed as standard meetings of the Committee and shall be minuted accordingly.

7. Remit of the Council of Governors Nominations and Remuneration Committee

With regard to nominations the Committee will:

- 7.1** Periodically review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors and, having regard to the views of the Board of Directors and relevant guidance on Board composition, make recommendations to the Council of Governors with regard to the outcome of the review.
- 7.2** Take into account the views of the Board of Directors on the qualifications, skills and experience required for each position.
- 7.3** Review annually the time commitment requirement for Non-Executive Directors.

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- 7.4** Give consideration to succession planning for Non-Executive Directors, taking into account the challenges and opportunities facing the Foundation Trust and the skills and expertise needed on the Board of Directors in the future and make recommendations to the Council of Governors concerning plans for succession, particularly for the key role of Chair.
- 7.5** Agree with the Council of Governors a clear process for the nomination of a Non-Executive Director.
- 7.6** For each appointment of a Non-Executive Director, agree a description of the role and capabilities and expected time commitment required.
- 7.7** Make recommendations for suitable NED/Chair candidates to fill vacant posts within the Committee's remit, for appointment by the Council of Governors.
- 7.8** Ensure that on appointment Non-Executive Directors receive a formal Terms of Engagement which will set out clearly what is expected of them and include the remuneration, allowances and other Terms and Conditions.
- 7.9** Make recommendations to the Council of Governors in respect of the re-appointment of any Non-Executive Director. Any term beyond six years must be subject to a particularly rigorous review.
- 7.10** Make recommendations to the Council of Governors in regard to any matters relating to the removal of office of a Non-Executive Director.
- 7.11** To be consulted by the Board of Directors on the appointment of the Senior Independent Director and to report on this consultation to the Council of Governors
- 7.12** Review the annual appraisal process for the Chair with the Board of Directors.

With regard to remuneration the Committee will:

- 7.13** In accordance with all relevant laws and regulations, recommend to the Council of Governors the remuneration, allowances and other Terms and Conditions for Non-Executive Directors; taking into account the views of the Chair (except in respect of his or her own remuneration, allowances and other Terms and Conditions), the Chief Executive and any external advisers.

In adhering to all relevant laws and regulations establish levels of remuneration which:

- 7.13.1** Reflect the time commitment and responsibilities of the roles;
 - 7.13.2** Take into account appropriate benchmarking and market-testing, while ensuring that increases are not made where Foundation Trust or individual performance do not justify them; and;
 - 7.13.3** Are sensitive to pay and employment conditions elsewhere in the Foundation Trust.
- 7.14** Oversee other related arrangements for Non-Executive Directors.

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8 Minutes and reporting

- 8.1** Formal minutes shall be taken of all Committee meetings and once approved by the Committee, circulated to all members of the Council of Governors unless a conflict of interest or matter of confidentiality exists.
- 8.2** The Committee will report to the Council of Governors after each meeting.

9 Performance evaluation

- 9.1** The Committee shall review annually its collective performance.

10 Review

- 10.1** The Terms of Reference of the Committee shall be reviewed by the Council of Governors at least annually.