

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Chairperson Appraisal Process 2019 and Non-Executive Director Appraisal Process 2019

Presented by	Governor, Nominations and Remuneration Committee		
Author	Jacqui Maurice, Head of Corporate Governance		
Governance responsibility	Council of Governors		
Purpose of the paper	To present the 2019 Appraisal Processes for the Chairperson and the Non-Executive Directors to the Council of Governors for approval.		
Action required	For approval		
Previously discussed at/informed by	The Governors Nominations and Remuneration Committee held 15 March 2019		
Previously approved at:	Committee/Group	Date	
	N/A		

Background

The Chairperson and Non-Executive Director Appraisal Processes

The Council of Governors has a statutory responsibility and a pivotal part to play in ensuring that the performance of the Chairperson and other Non-Executive Directors is effective and that they are making an important contribution to the leadership of the Foundation Trust.

The appraisal process is designed to:

- a. Ensure good governance standards are adhered to and encourage personal development.
- b. Evaluate individual performance and contributions.
- c. Set clear expectations.
- d. Form an integral part of improved induction, training and development support for NEDs.
- e. Provide reassurance to the Council of Governors that the performance of each NED is the subject of an annual appraisal.

The appraisal process for the Chairperson and other Non-Executive Directors is required to be reviewed and approved annually by the Council of Governors. The processes were last reviewed by the NRC in March 2018.

Outcomes from the Chairperson and Non-Executive Director Appraisal Processes 2018

At the Council of Governors meeting held 19 April 2018 the Governors approved the appraisal processes to be used for the Chairperson and other Non-Executive Directors.

The Appraisals for the Chairperson and other Non-Executive Directors were carried out in line with the approved process during 2018.

The report from the Chairman on the outcome of the Non-Executive Director appraisals was presented to the Nominations and Remuneration Committee for review on 14 September 2018. The Council of Governors received and gained assurance from the report on 16 October 2018.

The report from the Senior Independent Director on the outcome of the appraisal of the

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Chairman was presented to the Nominations and Remuneration Committee on 7 December 2018. The Council of Governors received and gained assurance from the report on 17 January 2019.

Chairperson and Non-Executive Director Appraisal Processes 2019

The Chairperson Appraisal Process is attached at Appendix A.

The Non-Executive Director Appraisal Process is attached at Appendix B.

NRC Review of the Chairperson and Non-Executive Director Appraisal Processes 2019

At the meeting held on 15 March 2019, the NRC considered the appraisal processes.

Two amendments were requested to the process approved in the previous year. These are presented in track changes in the attached under the following sections.

- Appendix A: Chair Appraisal Process; 3.3.4 (page 3)
- Appendix B: NED Appraisal Process; 2 (page 9)

Recommendation

The Council of Governors is asked to review and approve the updated Chairperson Appraisal Process 2019 and the Non-Executive Director Appraisal Process for 2019.

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix A

Chair Appraisal Process

1. The Senior Independent Director (SID) will meet with the Nominations and Remuneration Committee (NRC) prior to the start of the appraisal process to discuss the remit and identify any development needs that the SID may have.
2. Following discussion with the SID and the Chair, the NRC will make a recommendation to the Council of Governors on the annual set of objectives for the Chair based on the role of the Chair. The role of the Chair of a Foundation Trust covers the following:

Formulate Strategy	Ensures the Board develops vision, strategies and clear objectives to deliver organisational purpose.
Ensure Accountability	Holds CEO to account for delivery of strategy. Ensures Board committees that support accountability are properly constituted.
Shape Culture	Provides visible leadership in developing a positive culture for the organisation, and ensures that this is reflected and modelled in their own and in the Board's behaviour and decision making. With regard to Board culture; Leads and supports a constructive dynamic within the Board, enabling contributions from all Directors.
Context	Ensures all Board members are well briefed on the external context.
Intelligence	Ensures the provision of information to the Board and Council of Governors that is timely, reliable and comprehensive.
Engagement	Plays key role as an ambassador, and in building strong partnerships with: <ul style="list-style-type: none"> • Patients and Public • Members and Governors • Staff • External Stakeholders • Regulators

The outcomes from the CQC and Well-Led Reviews will inform the appraisal and the setting of objectives.

3. Annually the SID will lead the process in line with guidance in the Foundation Trust Code of Governance.

In undertaking the appraisal the SID will meet with;

- 3.1 The Chief Executive - who will provide the collective views of the Executive Directors
- 3.2 Collectively with the Non-Executive Directors
- 3.3 The Lead Governor and Vice-Chair of the Council of Governors - who will provide the collective views of the Governors
- 3.4 ~~At the discretion of the SID~~In consultation with the NRC; individually with external stakeholders.

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

4. Any Director or Governor is able to meet individually with the SID as part of the Chair's appraisal process.
5. The SID will gather and document views and thoughts on the Chair's contributions and performance in the following categories.
 - 5.1 Previous year's objectives
 - 5.2 Current time commitment
 - 5.3 Strategic direction and objective setting
 - 5.4 Support, challenge and holding to account
 - 5.5 Sub-committees and special responsibilities
 - 5.6 Governance and performance improvement
 - 5.7 Partnerships, patient and community focus
 - 5.8 Involvement/activities to be developed further (strengths and aspirations), learning and development needs and, objectives for the coming year
 - 5.9 Future time commitment.
6. Where a Director or Governor is unable to meet with the SID then an opportunity will be provided for them (either written or verbal) to provide feedback on the Chair's contribution and performance in the areas outlined in section 5 above.
7. The SID will review the Chair's 'fit and proper person' self-declaration annually.
8. The SID will collate the outcomes from the appraisal sessions and hold a meeting with the Chair to discuss the outcomes and identify SMART objectives for the forthcoming year.

Definition of SMART Objectives

Specific: outline in a clear statement precisely what is required

Measurable: include a measure to enable you to monitor progress and to know when the objective has been achieved

Achievable: objectives can be designed to be challenging, but it is important that failure is not built into objectives. Appraiser and appraisee should agree to the objectives to ensure commitment to them

Realistic: focus on outcomes rather than the means of achieving them

Timely: agree the date by which the outcome must be achieved

9. A formal report on the appraisal and the outcomes along with new objectives will be presented to the:
 - 9.1 Nominations and Remuneration Committee during Quarter 3.
 - 9.2 Council of Governors during Quarter 4.
10. The SID will confirm to the Governors whether, following formal performance evaluation, the performance of the Chair continues to be effective and demonstrates commitment to the role.
11. All appraisals will be documented and, following the completion of the appraisals the documents will be lodged with the Trust Secretary.

Appraisal pro forma - This is attached at attached at Appendix 1.

Objectives pro forma - This is attached at attached at Appendix 2.

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix 1

Chair's Appraisal

Name	
Review Period: (MM/YYYY to MM/YYYY)	

Overall assessment of performance

The performance of the Chair in their role has been assessed through a formal appraisal process as:

Strong	Meets requirements	Needs development

Overall feedback and development needs

Overall feedback from Chair

APPRAISAL SUMMARY

1. Previous year's objectives (see attached copy of last year's)
2. Reflecting the values of the Foundation Trust in the delivery of objectives
3. Current time commitment
4. Involvement/activities to be developed further (strengths and aspirations), learning and development needs and, objectives for the coming year
5. Future time commitment

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

6. Any further comments
Chair's views

Senior Independent Director	
Signed	
Name	
Date	

Chair	
Signed	
Name	
Date	

Senior Independent Director review of Chair's 'Fit and Proper Persons' self-declaration completed	
Signed	
Name	
Date	

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix 2

Chair's Objectives 2018/19

Name	
Review Period: (MM/YYYY to MM/YYYY)	

High-level SMART objectives should relate to the role of the Chair as reflected in the table below.

Formulate Strategy	Ensures the Board develops vision, strategies and clear objectives to deliver organisational purpose
Ensure Accountability	Holds CEO to account for delivery of strategy Ensures Board committees that support accountability are properly constituted
Shape Culture	Provides visible leadership in developing a positive culture for the organisation, and ensures that this is reflected and modelled in their own and in the Board's behaviour and decision making With regard to Board culture; Leads and supports a constructive dynamic within the Board, enabling contributions from all directors
Context	Ensures all Board members are well briefed on the external context
Intelligence	Ensures the provision of information to the Board and Council of Governors that is timely, reliable and comprehensive.
Engagement	Plays key role as an ambassador, and in building strong partnerships with: <ul style="list-style-type: none"> • Patients and Public • Members and Governors • Staff • External Stakeholders • Regulators

Additional agreed SMART objectives may be added which relate to specific areas of focus.

1.
2.
3.
4.
5.
6.

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Chair's feedback

Senior Independent Director	
Signed	
Name	
Date	

Chair	
Signed	
Name	
Date	

<p style="text-align: center;">Definition of SMART Objectives - along with clarification around interpretation.</p> <p>Specific. (Outline in a clear statement precisely what is required)</p> <p>Measurable. (A measure to enable you to monitor progress and to know when the objective has been achieved)</p> <p>Achievable. (Objectives can be designed to be challenging, but it is important that failure is not built into objectives. Appraiser and appraisee should agree to the objectives to ensure commitment to them.)</p> <p>Realistic. (A focus on outcomes rather than the means of achieving them.)</p> <p>Timely. (Agree the date by which the outcome must be achieved.)</p>

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix B

Non-Executive Director Appraisal Process

1. Annually the Chair will confirm SMART objectives with each Non-Executive Director (NED).

Definition of SMART Objectives

Specific: outline in a clear statement precisely what is required

Measurable: include a measure to enable you to monitor progress and to know when the objective has been achieved

Achievable: objectives can be designed to be challenging, but it is important that failure is not built into objectives. Appraiser and appraisee should agree to the objectives to ensure commitment to them

Realistic: focus on outcomes rather than the means of achieving them

Timely: agree the date by which the outcome must be achieved

2. The Non-Executives will have a number of common high-level objectives related to the role of the NED and ~~a couple of~~ a couple of appropriate individually tailored objectives related to their individual additional duties/areas of focus.
3. The outcomes from the CQC and Well-Led Reviews will inform the appraisal and the setting of objectives.
4. The common high-level objectives will therefore cover:
 - a) Contributions to the formulation of strategy and holding the executive to account for the delivery of strategy
 - b) Gaining assurance regarding finance, quality and performance
 - c) Shaping organisational culture
 - d) Ensuring that the Board acts in the best interests of the public.
5. All NED appraisals will be carried out during the same quarter of the year (Quarter 1: April, May and June.)
6. The Chair will meet with the NED and broadly review:
 - a) Previous year's SMART objectives, committee roles and special responsibilities held
 - b) Current time commitment
 - c) Involvement/activities to be developed further (strengths and aspirations), learning and development needs and, objectives for the coming year
 - d) Future time commitment
7. In undertaking the NED appraisal the Chair will meet with:

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

- a) The Chief Executive (who will provide collective feedback from the Executive Directors)
- b) The Vice-Chair of the Council of Governors and the Lead Governor (who will provide collective feedback from Governors).

8. The Chair will review the NEDs 'fit and proper person' self-declarations annually.
9. The Chair will document the outcomes from the appraisal session including objectives identified for the forthcoming year.
10. Training and development opportunities identified will be discussed with the Trust Secretary and actioned accordingly.
11. The Chair will present a report to the Nominations and Remuneration Committee on the appraisals of the NEDs during Quarter 2.

Where new NED appointment has been made following completion of the annual appraisals; an appraisal will be undertaken within 12 months of appointment and a report presented to the next Nominations and Remuneration Committee.

12. The Chair will produce a formal report on the appraisals process undertaken which will be presented to the Council of Governors by the end of Quarter 3. In the case of a NED appointment made following the completion of the annual appraisals a report will be presented to the Council of Governors following consideration of the report by the Nominations and Remuneration Committee.

Documentation

1. The NEDs will be provided with a copy of the pro forma prior to the appraisal for them to consider and prepare for their appraisal.
2. All appraisals will be documented and, following the completion of the appraisals the documents will be lodged with the Trust Secretary.

Appraisal pro forma - This is attached at attached below at Appendix 1.

Objectives pro forma - This is attached below at Appendix 2

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix 1

Non-Executive Director Appraisal form

Name	
Review Period: (MM/YYYY to MM/YYYY)	

Overall assessment of performance

The performance of the individual in their role has been assessed through a formal appraisal process as

Strong	Meets requirements	Needs development

Overall feedback and development needs

--

Overall feedback from Non-Executive Director

--

APPRAISAL SUMMARY

1. Previous year's objectives (see attached copy of last year's appraisal form), committee roles and special responsibilities held
2. Reflecting the values of the Foundation Trust in the delivery of objectives
3. Current time commitment
4. Involvement/activities to be developed further (strengths and aspirations), learning and development needs and, objectives for the coming year
5. Future time commitment
6. Any further comments

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Non-Executive Director views

Chair	
Signed	
Name	
Date	

Non-Executive Director	
Signed	
Name	
Date	

Chairman's annual review of 'Fit and Proper Persons' self-declaration completed	
Signed	
Name	
Date	

Meeting Title	Council of Governors		
Date	18 April 2019	Agenda item	CoG.4.19.8

Appendix 2

Non-Executive Director Objectives 2018/19

Name	
Review Period: (MM/YYYY to MM/YYYY)	

Common SMART high-level objectives based on;

- Contributions to the formulation of strategy and holding the executive to account for the delivery of strategy
- Gaining assurance regarding finance, quality and performance
- Shaping organisational culture
- Ensuring that the Board acts in the best interests of the public

Individually tailored SMART objectives will relate to additional duties/areas of focus.

1.
2.
3.
4.
5.
6.

Chair	
Signed	
Name	
Date	

Non-Executive Director	
Signed	
Name	
Date	