

Meeting Title	Council of Governors		
Date	15 October 2020	Agenda item	CoG.10.20.9

Report on the Non-Executive Director (NED) Appraisals 2020

Presented by	Dr Maxwell Mclean, Chairperson		
Author	Jacqui Maurice, Head of Corporate Governance		
Governance responsibility	Council of Governors		
Purpose of the paper	To provide a report to the NRC on the completion of the NED appraisals in line with the process agreed with the council of governors and for the NRC to determine if it is assured of this.		
Action required	For decision		
Previously discussed at/informed by	Governors Nominations and Remuneration Committee held 8 September 2020		
Previously approved at:	Committee/Group	Date	

Background

As the Council of Governors is aware, proposals regarding the NED/Chair appraisal processes for 2020 were unable to be considered as routinely scheduled at the council of governors meeting in April 2020 due to the open meeting of the council being stood down.

At the beginning of June 2020 the NRC and the council of governors received a communication from the chairman explaining that 'whilst we are, as an organisation, focused on our response to the pandemic, we are still ensuring that key elements of our governance are maintained in a number of ways, including ensuring that the leadership of our trust is outstanding'.

The NRC and the council of governors signalled its agreement for the chairman to conduct the non-executive director appraisals utilising the process agreed by the council in May 2019 (with the exception of the non-executive director peer review). The council noted that in place, the chairman would use the discussions with each director to tease out views on team and individual performance.

The non-executive director appraisal process agreed in May 2019 is attached in full at appendix A.

In line with the revised process agreed, the following non-executive director appraisals have been undertaken.

- Ms Trudy Feaster-Gee
- Mr Mohammed Hussain
- Ms Julie Lawreniuk
- Mr Jon Prashar
- Mr Barrie Senior
- Professor Laura Stroud
- Ms Selena Ullah

Feedback from the executive directors and governors has been used to inform each non-executive director's appraisal.

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The SMART objectives for the non-executive directors have been finalised and agreed. Prior to appraisal each non-executive director has been provided with a copy of the appraisals pro-forma and objectives pro-forma to support them in preparing for their appraisal. All non-executive directors have completed their annual 'fit and proper persons' self-declaration.

The report was discussed at the NRC on 8 September 2020. The NRC noted this report on the completion of the NED appraisals and following detailed discussion confirmed that it was assured that the appraisal process was undertaken in line with that agreed with the council.

Recommendation

The council of governors is asked to consider the detailed report and confirm if it derives assurance that the non-executive director appraisals have taken place in line with the process agreed by the council in June 2020.

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Non-Executive Director (NED) Appraisals 2020

1. Introduction

The council of governors has a statutory responsibility and a pivotal part to play in ensuring that the performance of the non-executives is effective and that they are making an important contribution to the leadership of the 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.

At the council of governors meeting held 17 May 2019, the governors approved the appraisal process to be used for the NEDs. On 10 June 2020 the council agreed that the appraisals would be conducted utilising the process agreed by the council in May 2019 - with the exception of the non-executive director peer review. The council noted that in place the chairman would use the discussions with each director to tease out views on team and individual performance.

2. Appraisals and 'fit and proper persons' (FPP) requirements

All NEDs were provided with a copy of the appraisals pro-forma and objectives pro-forma to support them in considering and preparing for their appraisal. Appraisals have been undertaken with NEDs on the dates specified in the table below.

Non-Executive Director	Date of Appraisal
Mr Jon Prashar	17 June 2020
Mrs Trudy Fester-Gee	23 June 2020
Ms Julie Lawreniuk	24 June 2020
Professor Laura Stroud	24 June 2020
Ms Selina Ullah	25 June 2020
Mr Mohammed Hussain	25 June 2020
Mr Barrie Senior	26 June 2020

All NEDs have completed their annual self-declaration with regard to the FPP requirements.

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3. Feedback received that has informed each NED appraisal

- The chief executive has provided feedback on behalf of the executive directors to inform the NED appraisals.
- Governors were invited to provide feedback via a questionnaire to support each NED appraisal.

4. Setting of objectives and review of duties, areas of focus and time commitment

Common high-level objectives are being confirmed for the coming year with each NED. The objectives 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
- e. Gaining assurance regarding finance, quality and performance
- f. Shaping organisational culture
- g. Ensuring that the board acts in the best interests of the public

A number of individually tailored objectives related to their individual additional duties/areas of focus have been finalised with each NED.

The appraisal for each NED has also included a focus on:

- a. Committee roles
- b. Special responsibilities held
- c. Current time commitment
- d. Involvement/activities to be developed further (strengths and aspirations), learning and development needs
- e. Future time commitment

5. Appraisal Outcomes

All NED appraisals have been carried out in the same quarter of 2020.

The documented outcomes from each NED appraisal have been finalised.

6. Conclusion

The council is asked to note this report on the completion of the NED appraisals and to confirm if it is assured that the process has been undertaken in line with that agreed with the council.

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Appendix A

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 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

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7. In undertaking the NED appraisal the Chair will meet with:
- 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

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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

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6. Any further comments
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	

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Appendix 2

Non-Executive Director Objectives 2020/21

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	