

7th June 2016
Item No 5a

Council of Governors: Summary Sheet

Title of Paper:	Report from the Nomination & Remuneration Committee detailing the process taken for the Chair appointment					
Presented By:	Jules Jones, Lead/Public Governor					
Action Required:	For Information	<input checked="" type="checkbox"/>	For Ratification	<input type="checkbox"/>	For a decision	<input type="checkbox"/>
	For Feedback	<input type="checkbox"/>	Vote required	<input type="checkbox"/>	For Receipt	<input type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	x
Determining the remuneration of the Chair and non-executive directors	
Appointing or removing the trust’s auditor	
Approving or not the appointment of the trust’s chief executive	
Receiving the annual report and accounts and auditor’s report	
Representing the interests of members and the public	
Approving or not increases to non-NHS income of more than 5% of total income	
Approving or not acquisitions, mergers, separations and dissolutions	
Jointly approving changes to the trust’s constitution with the Board	
Expressing a view on the Trust’s forward plans	
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution.	
Monitoring the Trust’s performance against its targets and strategic aims	

How does this item support the functioning of the Council of Governors?

This report details how the Nomination and Remuneration Committee has supported Council of Governors in undertaking its statutory duty to appoint the Chair of the Trust and provides assurance to governors, members and the public on the process used.

Author of Report:	Sam Stoddart
Designation of Author:	Deputy Board Secretary
Date:	28 th May 2016

SUMMARY REPORT

7th June 2016

Item No 5a

Report to: Council of Governors
Date: 7th June 2016
Subject: Chair Appointment Process
From: Jules Jones, Lead/Public Governor

1. Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (please state below)</i>
				x	
<p>The Council will receive information on how the Nomination & Remuneration Committee has supported Council of Governors in relation to the Chair appointment process.</p>					

2. Summary

When making appointments to the Board, the Nomination & Remuneration Committee (NRC) which acts on behalf of the Council of Governors and which is responsible for the identification and nomination of non-executive directors for Council approval must ensure that it acts within the NHS Foundation Trust Code of Governance. Paragraph B.2.a states that “there should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. Directors of NHS foundation trusts must be “fit and proper” to meet the requirements of the general conditions of the provider licence.”

Paragraph B.2.b of the Code states that “the search for candidates for the board of directors should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board and the requirements of the trust.”

Because of the importance of the position, the Trust sought legal advice from its solicitors to ensure that the NRC, Board and Council of Governors were fully informed about the legal and constitutional requirements of the process.

At its 10th February meeting the Board of Directors, in line with paragraph B.2.7 of the Code of Governance, was briefed about the process and asked for its view on the qualifications, skills and experience required for the Chair position. These were then incorporated in the job description.

Following this, the NRC met on 18th February and approved the job description, person specification, remuneration (following a market testing process), terms and conditions and the appointment of an independent panel member. In addition, the panel discussed the value of employing an external recruitment company. It agreed that because of the importance of the appointment, external support would be beneficial.

NRC recommended the job description, person specification, remuneration, terms and conditions, the use of an external recruitment company and the inclusion of an independent interview panel member to the Council of Governors at its meeting of 2nd March, all of which were approved.

Quotations from four external recruitment companies were sought. In making its decision NRC assessed each of four companies against the following criteria:

- previous experience of board-level recruitment;
- independence from the NHS foundation trust;
- track record of successful appointments;
- previous experience of public sector recruitment;
- knowledge of the health sector and candidate research ability.
- Value for money

Based on the above criteria, NRC appointed GatenbySanderson to head the appointment. Appendix A (attached) gives full details of the process adopted. A summary is included below for ease of reference.

On 18th March, the NRC met with GatenbySanderson and agreed the Candidate Brief, advert, the interview panel, process timetable and details of the stakeholder day.

The position was advertised on the Times Online, NHS Jobs and through GatenbySanderson's many networks. In total 11 applications were received. All candidates were assessed against the criteria in the job description and person specification. Of the 11 applicants 5 were long listed and 3 shortlisted.

Candidates were invited to present to governors and Non-Executive Directors and participate in focused discussion groups with external stakeholders and board members on 26th May. In each of the three sessions the candidates were assessed by participants and the feedback was used by the interview panel to inform the questions asked.

The interview panel met on 27th May and interviewed three candidates. A rigorous process was adopted to ensure that the best candidate was chosen.

3. Next Steps

A paper detailing the preferred candidate including their significant commitments will be presented to Council for its approval.

4. Required Actions

Council is asked to receive and note the contents of this paper.

5. Monitoring Arrangements

The appointment of Non-Executive Directors and the Chair is managed on behalf of the Council of Governors by the Nomination and Remuneration Committee.

6. Contact Details

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Overview of the Recruitment Process: Chair Appointment process 2016

Attracting candidates to the roles

The Trust engaged GatenbySanderson in a headhunting exercise to identify, and encourage applications from potential candidates who met the constitutional requirements for membership of the Trust and whose skills and experience were in line with the person specification for the Chair position. The headhunting was supported by an advertising campaign and the role was advertised online with the Sunday Times and at www.womenonboards.co.uk, www.non-exec.com and www.nonexecutivedirectors.com.

The closing date for the roles was Friday 29 April. 11 applications were received.

Sift of applications and longlisting

Applications were assessed by GatenbySanderson and were rated as A: Recommended for Preliminary interview, B: Marginal for Preliminary Interview or C: Not Recommended for Preliminary Interview. A report and applications were presented to the nominations committee and discussed at a longlist meeting on Thursday 5 May, attended by members of the Nomination and Remuneration Committee (NRC) and Emma Pickup, Senior Consultant at GatenbySanderson. Five candidates were taken forward and invited to a preliminary interview with Emma.

Preliminary interviews and shortlisting

At preliminary interview candidates were tested on their experience in line with the person specification as well as their career background and motivation for the application. Reports were prepared with candidates assessed as A: Recommended for Final Interview, B: Marginal for Final Interview or C: Not Recommended for Final Interview. The reports provided insight on candidates' relevant background for the role, their motivation, strengths and areas for consideration in respect of their candidacy. They also covered any issues raised in terms of reputational matters, conflicts of interest, time commitment or availability to commence the role.

NRC members met with Emma Pickup of GatenbySanderson on Wednesday 18 May to discuss the shortlist and agree the candidates to be invited to a final assessment and interview on Thursday 26 and Friday 27 May. Three candidates were agreed by the panel for shortlist.

Final selection

Between shortlisting and the final interviews all shortlisted candidate were invited to contact Kevan Taylor, Chief Executive, and Jules Jones, Lead Governor, for informal discussions.

On Thursday 26 May, the shortlisted candidates participated in a series of stakeholder engagement activities.

There were three engagement exercises for the candidates to participate in on that day:

- A presentation to Governors and Non-Executive Directors
- An informal panel discussion with a mixed group of senior external stakeholders invited from partner organisations
- An informal panel discussion with a mixed group of Board members (NED and Executive)

The purpose of the exercises was to better understand the range of experiences, interests, attitudes and insight of the shortlisted candidates and to engage key stakeholders internally and externally in contributing qualitative insight into the process. Feedback from the exercises was summarised and provided to the panel ahead of the interviews to inform the panel's questioning. Participants in the stakeholder day were not asked to rank or rate candidates.

Feedback from the presentation included comments on the **content, ability to handle questions, strengths and areas for the panel to probe** and participants were also asked to assess whether the candidates displayed each of the values of the Trust.

Feedback from the informal panel discussions included comments on candidates' **style/communication, skills/experience, strengths and areas for the panel to probe** and participants were also asked to assess whether the candidates displayed each of the values of the Trust.

On Friday 27 May shortlisted candidates were interviewed by the panel.

The interview panel members were:

- Jules Jones, Lead Governor
- John Kay, Service User Governor
- Councillor Adam Hurst, Partner Governor
- Mervyn Thomas, Non- Executive Director and Senior Independent Director
- Frank Griffiths, Independent External Assessor, Chair of Leeds and York Partnership NHS Foundation Trust (non-voting member)

In attendance:

- Kevan Taylor, Chief Executive
- Jill Dentith, Interim Board Secretary
- Emma Pickup from GatenbySanderson also attended the interviews as an observer and in order to provide candidates with feedback following the decision making.