

## Council of Governors: Summary Sheet

**Title of Paper:** Report from NRC on outcome of NED Appraisals

**Presented By:** Jayne Brown OBE, Trust Chair

**Action Required:**

<b>For Information</b>	<input type="checkbox"/>	<b>For Ratification</b>	<input type="checkbox"/>	<b>For a decision</b>	<input type="checkbox"/>
<b>For Feedback</b>	<input type="checkbox"/>	<b>Vote required</b>	<input type="checkbox"/>	<b>For Receipt</b>	<input checked="" type="checkbox"/>

To which duty does this refer:

<b>Holding non-executive directors individually and collectively to account for the performance of the Board</b>	<input checked="" type="checkbox"/>
<b>Appointment, removal and deciding the terms of office of the Chair and non-executive directors</b>	<input checked="" type="checkbox"/>
<b>Determining the remuneration of the Chair and non-executive directors</b>	<input type="checkbox"/>
<b>Appointing or removing the Trust's auditor</b>	<input type="checkbox"/>
<b>Approving or not the appointment of the Trust's chief executive</b>	<input type="checkbox"/>
<b>Receiving the annual report and accounts and Auditor's report</b>	<input type="checkbox"/>
<b>Representing the interests of members and the public</b>	<input type="checkbox"/>
<b>Approving or not increases to non-NHS income of more than 5% of total income</b>	<input type="checkbox"/>
<b>Approving or not significant transactions including acquisitions, mergers, separations and dissolutions</b>	<input type="checkbox"/>
<b>Jointly approving changes to the Trust's constitution with the Board</b>	<input type="checkbox"/>
<b>Expressing a view on the Trust's operational (forward) plans</b>	<input type="checkbox"/>
<b>Consideration on the use of income from the provision of goods and services from sources other than the NHS in England</b>	<input type="checkbox"/>
<b>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</b>	<input type="checkbox"/>
<b>Monitoring the Trust's performance against its targets and strategic aims</b>	<input checked="" type="checkbox"/>

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

Supporting principles within the [NHS Foundation Trust Code of Governance](#), requirements of the [provider licence](#), and the [Health and Social Care Act 2008 \(Regulated Activities\) Regulations 2014 \(regulation 5\)](#) require that individual evaluation of directors needs to take place to demonstrate that they are 'fit and proper', continue to contribute effectively, continue to demonstrate commitment and have the relevant skills for the role.

**Author of Report:** Sam Stoddart

**Designation:** Deputy Board Secretary

**Date:** February 2019

**Council of Governors**

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**Date:** 28 February 2019  
**Subject:** Report from NRC on NED Appraisals  
**From:** Jayne Brown OBE, Trust Chair  
**Authors:** Sam Stoddart, Deputy Board Secretary/Jayne Brown, Trust Chair

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**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	
<ul style="list-style-type: none"> <li>To receive assurance on the effectiveness of the process of the NED appraisal</li> <li>To receive assurance on the performance of Ms Stanley and Mr Mills</li> </ul>					

**2. Summary**

Supporting principles within the [NHS Foundation Trust Code of Governance](#), requirements of the [provider licence](#), and the [Health and Social Care Act 2008 \(Regulated Activities\) Regulations 2014 \(regulation 5\)](#) require that individual evaluation of directors needs to take place to demonstrate that they are ‘fit and proper’, continue to contribute effectively, continue to demonstrate commitment and have the relevant skills for the role.

The annual review for the three of the NEDs, namely Mr Mills, Ms Stanley and Cllr Blake began in the summer of 2018. The process involved inviting feedback on their performance from governors and board members alike. Thirty six governors were sent questionnaires and 18 were returned. Seven board members were sent questionnaires and five were returned.

This year the NED appraisal process was subject to extensive review which led to a revised process. The appraisal was led by the Chair in tandem with the Lead Governor. As part of the revised process, an additional NRC member was included in the appraisal in order to strengthen the governor voice. Additionally, performance thresholds were revised to mirror those of the CQC: namely outstanding, good, requires improvement or inadequate.

At its meeting of 8 February 2019, NRC received a paper which provided assurance on the performance of Ms Stanley and Mr Mills who were appraised on 25<sup>th</sup> and 30<sup>th</sup> January respectively. A summary of both performances is detailed in 2.1 and 2.2 below. However NRC discussed this at length and were assured of the process and outcome.

## 2.1 Overall assessment of the performance of the Ms Ann Stanley

This was completed by the Chair with reference to the views of the Ms Jones, Lead Governor and Mrs Hartley, Public governor both present at the appraisal, plus feedback responses from governors and board members.

The office holder's contribution last year, as judged against their objectives and wider duties, was reviewed and assessed as:

Outstanding	Good	Requires Improvement	Inadequate
x			

The appraisal session provided a valuable opportunity to explore in detail the views of both the Board and the Governors, and for the Ms Stanley to summarise her own self-assessment. The appraisal discussion covered a wide range of areas and included the following:

- Future Council of Governors and Board development
- Development of Audit Committee
- A desire to spend more time with frontline services

## 2.2 Overall assessment of the performance of the Mr Richard Mills

This was completed by the Chair with reference to the views of the Ms Jones, Lead Governor and Mrs Hartley, Public governor both present at the appraisal, plus feedback responses from governors and board members.

The office holder's contribution last year, as judged against their objectives and wider duties, has been reviewed and assessed as:

Outstanding	Good	Requires Improvement	Inadequate
x			

The appraisal session provided a valuable opportunity to explore in detail the views of both the Board and the Governors, and for Mr Mills to summarise his own self-assessment. The appraisal discussion covered a wide range of areas and included the following:

- Development of NED and governor relationships
- Building and developing new services
- Capacity building and capability to deliver across a range of challenges

## 3. Next Steps

In line with requirements, all NEDs will be subject to annual appraisals.

## 4. Required Actions

CoG is asked to receive assurance from NRC that the appraisal of Ms Stanley and Mr Mills has been satisfactorily carried out and both are performing above the required standard.

**5. Monitoring Arrangements**

It is the responsibility of the Director of Corporate Governance (Board Secretary) to ensure that NEDs, including the Chair, meet the requirements of the Fit and Proper Persons Regulation mentioned in section 2, including completion of an annual performance appraisal.

**6. Contact Details**

Jayne Brown OBE  
Trust Chair