



# Board of Directors (Public)

## SUMMARY REPORT

<b>Meeting Date:</b>	23 November 2022
<b>Agenda Item:</b>	22

<b>Report Title:</b>	<b>Corporate Governance Report</b>	
<b>Author(s):</b>	Deborah Lawrenson, Director of Corporate Governance	
<b>Accountable Director:</b>	Deborah Lawrenson, Director of Corporate Governance	
<b>Other Meetings presented to or previously agreed at:</b>	<b>Committee/Group:</b>	Board Remuneration Committee
	<b>Date:</b>	Board Remuneration Committee 26 October 2022
<b>Key Points recommendations to or previously agreed at:</b>	The Annual Report from the Remuneration committee was received and reviewed alongside its forward plan, review of effectiveness and revised terms of reference. Since discussion at the committee the Terms of Reference are undergoing benchmarking against best practice before being brought back to the Committee and Board for approval in January 2023.	

<b>Summary of key points in report</b>
<p>Key areas covered in this report are outlined in full below.</p> <p><b>Review of Standing Orders, Standing Financial Instructions and Scheme of Delegation</b></p> <p>The reviewed Standing Orders, Standing Financial Instructions and Scheme of Delegation are going through the governance approvals route having been received at the Finance and Performance Committee in November 2022 and due for receipt at Audit and Risk Committee in January 2023 prior to the Board. There will be some further amendments considered as a result of recent learning concerning governance around litigation approvals and to ensure any changes required following received of the MH Legislation scheme of delegation are reflected. In due course further updating will take place to the documents to reflect any system governance changes required.</p> <p><b>Code of Governance for NHS Provider trusts – published 27 October 2022</b></p> <p>An updated code of governance for NHS provider trusts has been published following consultation in 2022. This will come into effect from 1 April 2023. This replaces the 2014 NHS foundation trust code of</p>

governance and sets out an overarching framework for the corporate governance of trusts, supporting delivery of effective corporate governance, understanding of statutory requirements where compliance is mandatory and provisions with which trusts must comply, or explain how the principles have been met in other ways. The new code will cover both foundation trusts and NHS trusts.

We will be undertaking a review of our compliance with the new code in the coming months for reporting any implications through the Council of Governors and the Board and to support planned updating of the Constitution. Below are links to new Code and key associated documents.

Governance guidance published [following consultation](#):

[Code of governance for NHS providers](#)

[Guidance on good governance and collaboration](#)

[Addendum to existing duties of trust governors](#)

We understand there will be a revised Accountable Officer memorandum which is expected in the near future.

**Appendix 1 – summary on the Code of Governance and related guidance documents**

### **NHS England Operating Framework**

The Chief Executive's report provides an update on the new NHS Oversight Framework. The document sets out how the NHS will operate in the new statutory framework created by the Health and Care Act 2022 and reflects the formal establishment of integrated care systems (ICSs) and NHSE's expanding remit. This will be reviewed as part of our review of the new governance documents to understand implications. Provided below are links to the new framework and to the NHS Providers Briefing.

<https://www.england.nhs.uk/nhs-oversight-framework/>

<https://nhsproviders.org/resources/briefings/on-the-day-briefing-nhs-englands-new-operating-framework>

### **Consultations on Provider Licence and Enforcement Action**

Following the publication of the new code consultations are underway on the provider licence and on enforcement action. The consultations launched on 28 October and close on 9 December 2022.

#### Provider Licence

The provider licence has historically only applied to NHS Foundation Trusts as well as independent sector providers unless exempt and a separate licence was in place for NHS controlled providers. NHS trusts were previously exempt but recent statutory changes will require them to be licenced too.

The proposed changes will bring the licence up to date, reflecting new legislation and supporting providers to work effectively as part of integrated care systems (ICS).

There are four key types of proposed changes to the licence summarised as follows:

1. Supporting effective system working
2. Enhancing the oversight of key services provided by the independent sector
3. Addressing climate change
4. Technical amendments

The provider licence consultation asks to what extent respondents agree or disagree with each of the proposed changes. Where conditions are not proposed to apply to independent providers, views are sought on whether any elements should apply. There are also general questions on whether the licence needs to be reviewed and updated, if there are any elements which should change and whether NHSE should have the ability to determine who should be identified as a 'hard to replace' provider.

### **Enforcement guidance consultation**

This consultation seeks views on NHS England's (NHSE) intended approach to using its enforcement powers. This includes setting out use of powers to direct an Integrated Care Board (ICB) and the enforcement mechanisms for providers and also explains regulatory and statutory processes in the event of enforcement action and subsequent right of appeal.

The basic processes that would be followed have not changed for foundation trusts but revised guidance sets out how NHS England will exercise its enforcement powers in line with the principles set out in the NHS Oversight Framework, working with and through ICBs wherever possible and with an emphasis on systems working together to resolve problems. In the event of enforcement action providers may be subject to:

- Discretionary requirements
- Undertakings
- Additional governance licence conditions (foundation trusts only)
- Monetary penalties
- Revocation of licence
- Direction for NHS trusts (s27B NHS Act 2006)

The enforcement guidance consultation asks to what extent respondents agree with proposed changes to:

- Introduction of a two-tier approach to ICB enforcement that includes an undertakings process
- Alignment of the enforcement guidance with current policy and operational best practice, including reducing the emphasis on investigations and removing the prioritisation framework

It also asks for any comments on how the guidance could be improved.

Further summary detail is available through the links below:

[Consultation for changes to the NHS provider licence - NHS England - Citizen Space](#)

[NHS England » Consultation on the revised NHS enforcement guidance](#)

NHS Providers next day briefing on the provider licence and endorsement consultation and on the new code of governance and associated documents:

<https://nhsproviders.org/resources/briefings/next-day-briefing-nhs-provider-licence-consultation-code-of->

[governance-and-enforcement-guidance](#)

**Appendix 2** provides a high-level summary on the consultations with a more detailed version to be shared with Board members for information to support developing SHSC's response.

Both consultations opened on 28 October and will close on 9 December 2022, with SHSC's response co-ordinated by the Director of Corporate Governance.

**Governor elections**

The current governor election process for those seats subject to an election process, closed to nominations at 5 pm on 8 November 2022. Nominations came forward for the majority of vacant seats however some vacancies will remain. Detail is being verified before publication of the nominations and completing the process. A report will be taken to the Council of Governors meeting in December. Prior to new Governors formally joining the Council of Governors due diligence will be undertaken.

**Annual Report and Accounts 2022/23**

Work is underway to develop the Annual Report and Accounts 2022/23 with a detailed plan received at Audit and Risk Committee in October following planning meetings with the Trusts external auditors KPMG. Meetings have taken place with Executives and some of the key authors to launch the process for capturing narrative for this year's annual report and to share guidance. The first draft will be taken to Audit and Risk Committee in January 2023 with a second draft received in April 2023.

The Value for Money (VFM) 2022/23 questionnaire element of the process has been received from KPMG and work has begun to populate this with a view to completing the work in Quarter 4 of this financial year.

**Well Led**

The Board has engaged NHS England (NHSE) to provide confirm and challenge support on its annual Well Led self-assessment with a series of interviews with key individuals taking place during November and a report from NHSE expected before the end of the calendar year to support onward reporting to the Board in January 2023.

Alongside this, leaders across the organisation are undertaking their own local Well Led self- assessments with progress on this reported through our triannual Performance Review process.

**Declarations of interests, gifts, hospitality and sponsorship**

The Trust's policy on Managing Declarations of Interest in the NHS stipulate that the full declaration of interest, gifts and hospitality register should be presented to the Audit and Risk Committee on an annual basis, and Board thereafter. Declarations of Interest from Board and Council of Governors have already been received through the committee and Board and are available on the website. The general registers for 2021/22 will be received at the Audit and Risk Committee and the Board in January 2023.

The Audit and Risk committee received an assurance report on the management of declaration of interests, gifts and hospitality registers for 2021/22 and for calling in declarations for 2022/23. At that time not all declarations for 2021/22 had been received and work is ongoing to call in the remaining declarations. Of those received a small number have indicated they do voluntary work or have second jobs and the committee was advised these were being checked with Executive leads to ensure none are contentious.

Work has taken place between the Corporate Assurance and Communications teams to raise awareness with staff to remind them of their obligations around declarations, to provide clarity on what should be declared and to remind staff to familiarise themselves with the Counter Fraud, Bribery and Corruption

policy.

The Head of Corporate Assurance will be asking those required to make declarations to reconfirm or update their declarations of interests, gifts, hospitality and sponsorship in Quarter 4 in readiness for providing an update on the 2022/23 declarations of interests, gifts hospitality and sponsorship to Audit and Risk Committee in April 2023.

**Head of Internal Audit annual survey on governance and risk management systems and processes**

The Internal Audit annual survey with the Board to support the development of the Head of Internal Audit opinion (HOIA) 2022/23 is underway and Board members have been asked to respond to this by 21 November 2022. This will support Internal Audit in looking at the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control in support of drafting their HOIA opinion supports the organisation in development of the Annual Governance Statement and a summary report will be provided to the Trust to support its learning and to take forward any further improvements.

**The Annual Report from the Board Remuneration Committee:**

The Board is asked to receive for assurance the Remuneration Committee Annual Report, attached at **Appendix 3** and to note plans for reviewing the updated Terms of Reference, received at the Committee against best practice before taking these back through committee and Board for approval in January 2023 alongside the updated work plan for the committee.

The Board is recommended to:

- 1) **Note** the updates provided on key governance matters
- 2) **Receive for assurance** the Annual Report from the Remuneration Committee to the Board and note plans for finalisation of the Terms of Reference for approval in January 2023.

Please identify which strategic priorities will be impacted by this report:				
Covid-19 Getting through safely	Yes	X	No	
CQC Getting Back to Good	Yes	X	No	
Transformation – Changing things that will make a difference	Yes	X	No	
Partnerships – working together to make a bigger impact	Yes	X	No	
Is this report relevant to compliance with any key standards ?		State specific standard		
Care Quality Commission	Yes	X	No	<p><b>“Good Governance</b> - The provider of your care must have plans that ensure they can meet these standards.</p> <p>“They must have effective governance and systems to check on the quality and safety of care. These must help the service improve and reduce any risks to your health, safety and welfare.”</p>
IG Governance Toolkit	Yes		No	X

Have these areas been considered ? YES/NO				If Yes, what are the implications or the impact? If no, please explain why
Patient Safety and Experience	Yes	X	No	NA
Financial (revenue & capital)	Yes	X	No	In relation to reference to the Standing Orders, Standing Financial Instructions and Scheme of Delegation
OD/Workforce	Yes	X	No	NA
Equality, Diversity & Inclusion	Yes	X	No	In relation to the reports from the Remuneration Committee
Legal	Yes	X	No	NA
Environmental Sustainability	Yes	X	No	Covered as appropriate in reports

## Appendix 1 – Code of Governance and related guidance documents – Summary

Code of Governance
<p>The new code will replace the NHS Foundation trust code of governance, which was last updated in 2014. For the first time, the code will apply to all trusts. The code sets out principles to help trusts deliver effective corporate governance, and provisions with which trusts must comply, or explain how the principles have been met in other ways. Statutory requirements (where compliance is mandatory) are clearly indicated. The code will apply from April 2023, giving trusts some time to review and implement any changes to their arrangements.</p> <p>The code has been updated to reflect:</p> <ul style="list-style-type: none"> <li>its application to NHS trusts, aligning with the proposed extension of the NHS Provider licence to them</li> <li>changes to the UK Corporate Governance Code in 2018</li> <li>the establishment of integrated care systems under the Health and Care Act 2022</li> <li>the evolving NHS System Oversight Framework, under which trusts will be treated similarly regardless of their constitution as an NHS trust or foundation trust.</li> </ul> <p>The code is structured in five main sections containing the principles and provisions:</p> <p>A - Board leadership and purpose;  B - Division of responsibilities;  C - Composition, succession and evaluation [of the board];  D - Audit, risk and internal control; and  E - Remuneration.</p> <p>The provisions are drawn together in a “disclosures” section: a checklist against which compliance can be self-assessed and which must be reported against in trusts’ annual reports.</p> <p>Finally, there are three appendices which cover the role of the trust secretary, provisions relating to councils of governors (for foundation trusts only), and the regulatory requirements related to the code and provider licence.</p>

The majority of the code will be familiar to foundation trusts, and it makes clear where provisions are different depending on the constitution of the provider organisation (notably around the council of governors and board member recruitment, appointments, performance evaluation and remuneration).

### **Guidance on Good Governance and Collaboration**

This new guidance, applicable upon publication today, seeks to clarify the expectations around collaboration on all provider trusts and to set out the governance characteristics that trusts should NHS have in place to facilitate effective collaboration. It sets the expectation that providers collaborate with partners to agree shared objectives through integrated care partnerships (ICPs) and deliver five-year joint plans and annual capital plans through collaborative arrangements. It links to the NHS Oversight Framework. The guidance includes a section explaining how NHSE will use this guidance in cases of non-compliance, noting that in the first instance integrated care board (ICB) leaders should seek informal resolution of issues locally, with NHSE intervention following if required, and in discussion with ICB leaders.

The guidance details expectations on providers to consistently:

- engage in shared planning and decision-making
- take collective responsibility with partners for delivery of services across various footprints
- take responsibility for delivery of improvements and decisions agreed through any relevant forums.

Illustrative minimum behaviours are described in each case.

A table further describes five characteristics of governance arrangements to support effective collaboration, with key lines of enquiry (KLOEs) for each in the form of questions about providers' participation, engagement, dialogue, information-sharing and decision-making, among other things.

The five characteristics expected of providers are:

- developing and sustaining strong working relationships with partners
- ensuring decisions are taken at the right level
- setting out clear and system-minded rationale for decisions
- establishing clear lines of accountability for decisions
- ensuring delivery of improvements and decisions.

The appendix to the guidance includes illustrative scenarios of ways in which providers can collaborate effectively.

### **Addendum to Your statutory duties – reference guide for NHS foundation trust governors: System working and collaboration: role of foundation trust councils of governors**

The addendum supplements the existing guidance for governors and explains that governors' statutory duties have not changed: governors should not expect any material change to their day-to-day role.

However, the context of system working and collaboration brings additional considerations for governors when undertaking their statutory duties. This guidance is applicable from today.

The addendum introduces the system working context in relation to the Health and Care Act 2022 and the removal of legal barriers to collaboration and integrated care. It notes that the

performance of provider trusts will increasingly be judged against their contribution to the objectives of their ICS. It also goes into some detail on what representing the interests of the public means in the new context, emphasising that 'the public' should include the population of the local system of which the foundation trust is part.

It then focuses on the statutory duties of governors and additional considerations in relation to each: holding the non-executive directors to account for the performance of the board; representing the interests of members and public; and taking decisions on significant transactions. Illustrative scenarios are provided in each case.

Finally, the addendum suggests approaches to support better working between the board and council, with some practical tips and examples of activities trusts are already undertaking. It emphasises that governors' key relationships remain with the directors and the secretary of their own trust, who should facilitate information sharing about, and any engagement with, system partners.

## **Appendix 2 - Consultations on Provider Licence and Enforcement Action - Summary**

There are four key types of proposed changes to the licence summarised as follows:

### **1. Supporting effective system working**

- new co-operation condition around how we work together to deliver core system objectives around planning, service improvement and delivery, delivery of system financial objectives and system workforce plans (does not apply to independent providers however NHSE exploring aspects of the condition and associate guidance which is transferable and welcomes feedback on this as part of the consultation)
- new co-operation condition that mirrors expectations in the 2022 act to consider the triple aim and health inequalities in our work (does not apply to independent providers)
- new condition on digital obligations to enable system working and promote digital maturity through a new licence condition and a separate amendment to the governance conditions reflecting expectations already set out in legislation and guidance (does not apply to independent providers)
- Integrated care condition – to reframe this as an obligation encouraging active participation in service integration to improve quality of health care services, provide place-based integrated care and reduce inequalities of access and outcomes. This reflects a shift in national focus (independent providers will not be held to account for being unable to participate in any system roles where they may be precluded from doing so by law or legitimate commercial considerations)
- expanding the patient choice condition – the proposal is to expand the existing condition to reflect the importance of personalised care in line with existing guidance and clarifying expectations (applies to all licence holders)
- removing the competition condition to reflect a shift in healthcare priorities from competition to collaboration and removal of competition oversight as a statutory



functions previously held by Monitor and not held by NHSE (applies to all licence holders)

## 2. Enhancing the oversight of key services provided by the independent sector

- broadening the range of providers where continuity of services (CoS) conditions will apply. The proposal is to expand NHSE's oversight to include providers which deliver services that are considered hard to replace; and will include quality governance standards. The aim is to enhance risk mitigation and cooperation with NHSE in the event that an independent sector provider is experiencing serious quality issues which threaten service delivery. Mechanisms already exist to address quality concerns in NHS trusts and foundation trusts)

## 3. Addressing climate change

- proposals around this apply to NHS trusts, foundation trusts and NHS controlled providers only. It reflects requirements in the 2022 Health and Care Act relating to contribution from NHS trusts and foundation trusts to tackle climate change and deliver net zero emissions. Boards are required to nominate a board level net zero lead and deliver a green plan)

## 4. Technical amendments

the following are the proposed technical amendments to all licences:

- Shifting the focus of the costing conditions
  - *the proposal is to modify costing conditions and separate these out from other pricing conditions reflecting the wider role costing data plays in supporting integration and improvement as well as the pricing of NHS services).*
- Amending the pricing conditions to reflect changes to national policy
  - *the proposal is to amend the pricing conditions to reflect changes to national policy and pricing by legislation by referencing the national payment scheme and removing the condition related to local modifications).*
- Streamlining reporting requirements
  - *the proposal is to streamline reporting requirements by removing requirements around self-certification due to duplication with annual reporting requirements and to reduce regulatory burden)*
- Applying conditions to NHS trusts and updating language to reflect the current statutory framework
  - *the proposal relates to updating language including the change of Monitor to NHSE as the regulatory body for the provider licence and inserting references to NHS trusts)*
- Removing obsolete conditions

- *the proposal relates to the removal of conditions such as a those setting out the payment of fees to NHSE which have never been used by them and where there is no intention to in the future)*
- Amending the Fit and Proper Persons condition
  - *the proposal is to amend the condition in line with the Health and Social Care Act 2018 and the statutory consultation from 2021 in which there was overwhelming support)*

### **Enforcement guidance consultation**

This consultation seeks views on NHSE's intended approach to using its enforcement powers. This includes setting out use of powers to direct an ICB and the enforcement mechanisms for providers and explaining regulatory and statutory processes in the event of enforcement action and subsequent right of appeal.

The fundamental processes that would be followed have not changed but revised guidance sets out how NHS England will exercise its enforcement powers in line with the principles set out in the NHS Oversight Framework, working with and through ICBs wherever possible and with an emphasis on systems working together to resolve problems.

Providers may be subject to:

- Discretionary requirements
- Undertakings
- Additional governance licence conditions (foundation trusts only)
- Monetary penalties
- Revocation of licence
- Direction for NHS trusts (s27B NHS Act 2006)

The consultation asks to what extent respondents agree with proposed changes to:

- Introduce a two-tier approach to ICB enforcement that includes and undertaking process
- Align the enforcement guidance with current policy and operational best practice, including reducing the emphasis on investigations and removing the prioritisation framework
- And asks for any comments on how the guidance could be improved

Revisions cover:

- Transfer of functions to NHS England
- Alignment with new legislation and NHS England's new responsibilities under the NHS 20-6 and the Health and Social Care Act 2012, as amended by the 2022 Act
- Alignment with currently policy including the NHS Oversight Framework and operational best practice including reducing the emphasis on investigations in the event of suspected provider licence breach in line with established practice and removing the 'prioritisation framework' that Monitor used to inform its decisions on whether or not to begin or continue ongoing cases

Updates include:

- The process for ICB enforcement
- Removal of references to enforcement action for breach of competition rules (competition functions having been removed from the 2022 Act)
- Revisions to the language to reflect the change from Monitor to NHS England as the regulatory body
- NHS England's enforcement powers in relation to patient choice provisions.

### **Links to consultation documents**

[Consultation for changes to the NHS provider licence - NHS England - Citizen Space](#)

[NHS England » Consultation on the revised NHS enforcement guidance](#)

### **Appendix 3 – Remuneration Committee 2021/22 Annual Report**

# Trust Board of Directors (public)

<b>Report for November Board</b>	<b>Meeting Date:</b>	23 November 2022
	<b>Agenda Item:</b>	22 (appendix 1)

<b>Report Title:</b>	<b>Remuneration and Nomination Committee Annual Report (APPENDIX to the Governance paper to Board)</b>	
<b>Author(s):</b>	Caroline Parry, Executive Director of People	
<b>Accountable Director:</b>	Caroline Parry, Executive Director of People	
<b>Other meetings this paper has been presented to or previously agreed at:</b>	<b>Committee</b>	Remuneration and Nomination Committee
	<b>Date:</b>	26 October 2022
<b>Key points/ recommendations from those meetings</b>	Amendments noted and incorporated into this final version for Board.	

## Summary of key points in report

The Remuneration and Nomination Committee Annual Report for 2021/22 is attached below for assurance and approval by Board at the November 2022 meeting following receipt at Remuneration and Nominations Committee.

To note: Given where we are in the current financial year in drafting the 2021/22 report we have taken into consideration feedback from the review of effectiveness received at the September 2022 and incorporated into this report.

This report provides an update on the membership and attendance at meetings; meeting frequency during the year and planned for the year ahead; work of the committee over the last year; key matters escalated to the Board via the AAA reports; delivery against its objectives; and outcome of the review of effectiveness. The committee received and discussed the updated Terms of Reference and work programme.

It is noted that further work is taking place on the Terms of Reference to benchmark and review these against best practice after which they will be taken back through the Remuneration and Nomination Committee for re-approval and onward reporting to the Board. This work will also inform any further updating required to the work programme for the committee.

To note: The report for 2022/23 will be received at the March 2023 meeting of the Remuneration and Nomination Committee ahead of Audit and Risk Committee in April 2023 followed by the Board in May 2023.

## Recommendation for the Board/Committee to consider:

<b>Consider for Action</b>		<b>Approval</b>	<b>x</b>	<b>Assurance</b>	<b>x</b>	<b>Information</b>	
----------------------------	--	-----------------	----------	------------------	----------	--------------------	--

The Board is asked to receive and endorse, the Remuneration Committee Annual Report 2021/22 and note plans for updating the Terms of Reference and Work Programme.

<b>Please identify which strategic priorities will be impacted by this report:</b>				
Covid-19 Recovering Effectively	Yes	<b>x</b>	No	
CQC Getting Back to Good	Yes	<b>x</b>	No	
Transformation – Changing things that will make a difference	Yes	<b>x</b>	No	
Partnerships – working together to have a bigger impact	Yes	<b>x</b>	No	
<b>Is this report relevant to compliance with any key standards?</b>		<b>State specific standard</b>		
Care Quality Commission Fundamental Standards	Yes		No	<b>x</b>
Data Security and Protection Toolkit	Yes		No	<b>x</b>
Any other specific standard?				
<b>Have these areas been considered? YES/NO</b>				<b>If Yes, what are the implications or the impact? If no, please explain why</b>
Service User and Carer Safety and Experience	Yes	<b>x</b>	No	Impact of staff experience, capability, and engagement on the quality of service user care
Financial (revenue & capital)	Yes	<b>x</b>	No	Relevant in relation to discussions on pay and conditions
Organisational Development /Workforce	Yes	<b>x</b>	No	Develop compassionate and inclusive leadership at Team SHSC which enables a just and learning culture
Equality, Diversity & Inclusion	Yes	<b>x</b>	No	Promoting and ensuring equality, diversity, and inclusion in all that we do within a diverse organisation
Legal	Yes	<b>x</b>	No	<b>N/A</b>
Sustainability	Yes	<b>x</b>	No	<b>N/A</b>

## 1. Introduction and background

The purpose of this report is to:

- Provide assurance to the Board that the Remuneration and Nomination Committee has carried out its obligations with its Terms of Reference (ToR).
- Provide an update to the Board on the work of the Remuneration and Nomination Committee during 2021/22, a reminder of matters escalated to the Board via the AAA report, and detail on the Work Programme and objectives for the financial year 2022/23.

## 2. Membership and meetings

### Membership

- 2.1 The committee should be composed of Non-Executive Directors / Associate Non-Executive Directors of the Board and the Trust Board Chair. It will be quorate if three members of the committee are present.

The following roles also attend the Remuneration and Nomination Committee as appropriate –

Chief Executive Officer  
Executive Director of People  
Director of Corporate Governance  
Deputy Director of People

### Meetings and frequency

- 2.2 In the period 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022 the Committee met two times on the following dates:
- 28<sup>th</sup> September 2021
  - 9<sup>th</sup> March 2022

#### 2022-23

It is recommended that the meeting frequency for 2022/23 be retained as meeting as and when required, however, regular dates have been set in diaries, particularly given the current CEO recruitment process underway:

Dates for period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 –

22<sup>nd</sup> June, 24<sup>th</sup> August, 28<sup>th</sup> September, 26<sup>th</sup> October, 10<sup>th</sup> November, 28<sup>th</sup> November, 7<sup>th</sup> December, 21<sup>st</sup> December, 25<sup>th</sup> January, 22<sup>nd</sup> February, 22<sup>nd</sup> March.

### Attendance at meetings

- 2.3 Both meetings were quorate in 2021/22.

- 2.4 Attendance of individual members for the meetings held during the financial year 2021/22 were as follows:

<b>Member name and role</b>	<b>Attendance record</b>
Mike Potts, Chair (until 30 September 2021)	1/1
Sharon Mays, Chair	1/1
Anne Dray, Non-Executive Director	1/2
Olayinka Monisola Fadahunsi-Oluwole	2/2
Sandie Keene, Non-Executive Director (until 31 December 2021)	1/1
Richard Mills, Non-Executive Director	2/2
Heather Smith, Non-Executive Director	2/2
Brendan Stone, Associate Non-Executive Director	0/2

The following individuals also routinely attended meetings:

<b>Name and role</b>
Jan Ditheridge, Chief Executive
Caroline Parry, Executive Director of People
David Walsh, Director of Corporate Governance (until October 2021)
Susan Rudd, Interim Director of Corporate Governance (until April 2022)
Sarah Bawden, Deputy Director of People

## 3. Work Programme and activity during the year

### Work Programme

- 3.1 The Remuneration and Nomination Committee has recently introduced a 'Work Programme' 2022-23 which sets out the annual cycle of work and reporting. This is now received at each meeting and is updated as required.
- 3.2 The Chair of the committee periodically reviews the Work Programme with the Executive Director of People and Director of Corporate Governance.

### Committee activity in 2021-22

- 3.4 Key activity during the financial year 2021/22 included the following:
- Remuneration of Executive Directors
  - Remuneration on appointment of Executive Directors
  - Confirmation regarding the Director of Strategy post
  - CEO succession planning

## 4. Matters escalated to the Board

- 4.1 During 2021-22 there were no points of escalation to Board and no formal reports were received.
- 4.2 In 2022/23 the committee introduced reporting to the Board using the Alert, Advise and Assure (AAA) process. This will be reflected in the 2022/23 annual report from the committee.

## 5. Committee effectiveness

### Process for review of committee effectiveness

- 5.1 A self-assessment review was undertaken by the committee via email with the outcome presented to the September 2022 meeting. This involved circulation of a questionnaire with statements for members to confirm their level of agreement that the committee fulfilled the stated requirement. This form will be reviewed in 2022/23 to ensure it meets current needs, it will include opportunity for comments, and it will be made available in electronic form for ease of completion and to support data extraction for onward reporting.

A key area that was raised in that process indicated a need to strengthen forward planning which was reflected in the updated forward plan received at that meeting and which will be kept under review.

The committee will provide an annual report on 2022/23 to its meeting in March 2023 for onward reporting to Audit and Risk Committee in April followed by an amalgamated report on annual reports from all sub committees to the Board in May 2023.

- 5.2 There is now a standing agenda item towards the close of the meeting for all to reflect on the effectiveness of each meeting.

### Assessment against objectives agreed for 2021/22

- 5.4 The Terms of Reference outlines objectives for the committee. The committee did not agree specific additional focussed objectives over and above those outlined in the terms of reference for the financial year 2021/22.

## 6. Committee objectives for 2022/23

- 6.1 The committee has discussed objectives it would wish to be reflected in the annual report for 2022/23 and to support planning for 2023/24.
  - a. The review of effectiveness has as noted indicated a need for further focus on forward planning and a less reactive and more planned approach to the work of the committee going forward. This has been reflected on the updated Work Programme.



- b. Chief Executive position and onboarding.
- c. Impact of the Messenger Report and our response.

6.2 Progress against the objectives will be reviewed at either six monthly or quarterly intervals depending on the frequency of the committee meetings.

## **7. Workplan 2022/23**

7.1 The committee's Work Programme for 2022/23 has been received and discussed at the committee. It will be presented alongside updated Terms of Reference at the next Board meeting following approval at Remuneration and Nomination Committee.

## **8. Review of Terms of Reference**

8.1 The Terms of Reference have been reviewed and updated (taking into account feedback from the committees review of effectiveness). Any changes have been incorporated into the Terms of Reference taking into account feedback received through the review of effectiveness. and are undergoing further review and benchmarking against best practice by the Executive Director of People. As noted above these will be brought to the Board for approval in due course.

## **9. Conclusion**

9.1 The committee assures the Board it continues to function appropriately as a standing committee of our Trust's Board of Directors, effectively overseeing the duties as set out in the agreed Terms of Reference.

## **Supporting information**

N/A