

# Council of Governors

## SUMMARY REPORT

Meeting Date: 22 February 2024  
 Agenda Item: 8

<b>Report Title:</b>	<b>Nominations and Remuneration Committee Report to the Council of Governors-deferred from the February meeting</b>		
<b>Author(s):</b>	Amber Wild, Corporate Assurance Manager		
<b>Accountable Director:</b>	Deborah Lawrenson, Director of Corporate Governance		
<b>Other meetings this paper has been presented to or previously agreed at:</b>	<b>Committee/Tier 2 Group/Tier 3 Group</b>	Nominations and Remuneration Committee	
	<b>Date:</b>	8 February 2024	
<b>Key points/ recommendations</b>	The committee approved items for onward recommendation at the Council of Governors meeting on 8 February 2024.		

### Summary of key points in report

The committee approved the following items for onward recommendation at the Council of Governors meeting on 8 February 2024:

#### The Nominations and Remuneration Committee annual self-assessment.

The committee received the Nominations and Remuneration Committee annual self-assessment. All members responded with completed questionnaires and the majority of responses received were in the 'strongly agree' and 'agree' domains. The feedback received does not suggest a need to change the TOR however diversity in membership of the committee will continue to be encouraged. Meeting dates have been established for the year and referenced on the agendas and a reference included in agendas to prompt reflection on any unconscious bias as part of the regular review of meeting effectiveness at the end of the discussions. This prompt will also be reflected on agendas for Council of Governors, Board and Board Assurance Committees.

#### Non-Executive Director (NED) re-appointment proposal

The committee received an update on the terms of office for the non-executive directors and agreed a recommendation related to one of the NED roles. This will be received in the confidential session of the Council of Governors.

#### Appendices:

**Appendix 1:** Nominations and Remuneration Committee annual self-assessment

**Appendix 2:** Nominations and Remuneration Committee Terms of Reference

#### **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>	<b>X</b>
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The Council of Governors is asked to receive for assurance the update on the areas covered at the most recent Nomination and Remuneration Committee and the Council of Governors is asked to reconfirm the Terms of Reference.

Please identify which strategic priorities will be impacted by this report:				
Effective Use of Resources	Yes	X	No	
Deliver Outstanding Care	Yes	X	No	
Great Place to Work	Yes	X	No	
Ensuring our services are inclusive	Yes	X	No	
<b>Is this report relevant to compliance with any key standards? State specific standard</b>				
Care Quality Commission Fundamental Standards	Yes		No	X
Data Security and Protection Toolkit	Yes		No	X
Any other specific standard?	Yes		No	X
<b>Have these areas been considered ? YES/NO</b>				
				If Yes, what are the implications or the impact? If no, please explain why
Service User and Carer Safety, Engagement and Experience	Yes	X	No	Considered as part of the questionnaire where relevant
Financial (revenue & capital)	Yes	X	No	
Organisational Development /Workforce	Yes	X	No	
Equality, Diversity & Inclusion	Yes	X	No	
Legal	Yes	X	No	
Environmental sustainability	Yes	X	No	

## SHSC– Self-Assessment 2023-24 for Nomination and Remuneration Committee (NRC)

### Theme 1 –Purpose and Scope

<i>Ref</i>	<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Unable to Answer</i>	<i>Comments</i>
1a	The committee has clearly laid out its purpose and scope in the Terms of Reference	<b>7</b>					The NRC is clear on its role and regularly reports to the Council of Governors

### Theme 2 - Work plans and activity during the year

<i>Ref</i>	<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Unable to Answer</i>	<i>Comments</i>
2a	There is a structured forward plan in place and agendas reflect this.	<b>3</b>	<b>4</b>				<ul style="list-style-type: none"> <li><b>All Agendas are laid out well and cover all topics related to the NRC.</b></li> <li><b>There is a work plan for the NRC which is regularly reviewed at meetings</b></li> </ul>
2b	<p>Reports, presentations, briefings and verbal updates are of high quality. They clearly outline:</p> <ul style="list-style-type: none"> <li>the 'ask' of the members of the committee.</li> <li>they are user friendly.</li> <li>they provide the right level of information to support decision making</li> </ul>	<b>2</b>	<b>5</b>				<ul style="list-style-type: none"> <li><b>Papers are delivered promptly and are appropriate to the audience.</b></li> </ul>

2c	The NRC are asked to reflect on the meeting, what has worked well and less well, to support continuous learning including reflecting on any unconscious bias	2	1	2		1	<ul style="list-style-type: none"> <li>I cannot find a recent agenda to check if we are prompted to ask those questions</li> <li>Reflecting on the meeting is a good opportunity to think about one's own contribution and gives insights into one's own biases.</li> <li>I think we do some of this and possibly all - I wouldn't say we reflect on unconscious bias much - but maybe for clarity it would be better to reflect more formally eg review of the meeting.</li> <li>Not currently - this needs adding to agendas as a prompt</li> </ul>
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### Theme 3 – Administrative arrangements and support

<i>Ref</i>	<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Unable to Answer</i>	<i>Comments</i>
3a	Meetings are well managed in terms of venue/or via Teams	6	1				<ul style="list-style-type: none"> <li>These are small-scale teams meeting and, in my opinion, they work well.</li> </ul>
3b	Papers, agendas, action logs, minutes, forward plan and papers are circulated within adequate timescales prior to the meeting.	3	4				<ul style="list-style-type: none"> <li>Papers are delivered promptly and are appropriate to the audience.</li> </ul>
3c	The membership is appropriate with members contributing effectively. Attendance at the meetings is good.	3	3	1			<ul style="list-style-type: none"> <li>We have struggled to fix quorate meetings requiring a lot of juggling of dates. When we do meet discussions are good and all members take part</li> <li>New members have joined the NRC</li> </ul>

							<ul style="list-style-type: none"> <li>Members have consistently attended and contributed well</li> </ul>
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#### Theme 4 – NRC Leadership (not to be completed by Chair)

<i>Ref</i>	<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Unable to Answer</i>	<i>Comments</i>
4a	<p>The Chair has a positive impact on the performance of the NRC:</p> <ul style="list-style-type: none"> <li>meetings are chaired effectively with clarity given on those papers requiring most discussion,</li> <li>the Chair ensures an appropriate flow for discussions whilst ensuring all elements have sufficient and appropriate time.</li> <li>everyone has the opportunity to 'have a voice' and contribute to the debate</li> </ul>	4	1				<ul style="list-style-type: none"> <li>Not completed by SID as they sometimes chair this meeting.</li> <li>As in all meetings the chair facilitates the meeting in a friendly and considerate manner and paces the meeting appropriately.</li> </ul>
4b	Each agenda item is closed off appropriately and there is clarity on the conclusion, next steps.	3	2				<ul style="list-style-type: none"> <li>Not completed by SID as they sometimes chair this meeting.</li> <li>All agenda items are closed off and a recap is given at the next meeting.</li> </ul>

#### *Provide further comments on the overall effectiveness of the NRC*

- I think now we have more members NRC will be more effective as we will not have to wait to start the meeting till we are quorate if anyone has difficulty joining and there will be more richness of conversation

- **NRC operates well and interrogates information effectively.**
- **The NRC functions adequately to become and remain aware of all issues within its remit.**
- **Possibly a greater diversity of members.**
- **NRC members participated in the Chair and NED appraisals.**
- **NRC regularly reports to the Council of Governors**

**List anything the NRC does particularly well**

- **I think that members do challenge well, they do think about the wider consequences of the decisions that are being made.**
- **Challenge and analyse.**
- **Makes small financial adjustments when necessary.**
- **The NRC gives a good opportunity to look at biases personally and groupwise.**

**List any areas that require attention or improvement in the coming year or objectives you would wish to see included**

**Is it possible to fix dates at the beginning of the year or at least 3 months in advance. We do seem to have difficulties with fixing meeting dates. Appreciate sometimes dates will need to change.**

**N/A**

**NRC meeting frequency is not clear. Meetings should go into a monthly or quarterly cycle.**

**Terms of Reference**

<b>Document History:</b>	
<b>Version Number:</b>	<b>4 (last updated June 2023)</b>
<b>Approved by:</b>	<b>Council of Governors February 2024</b>
<b>Date approved:</b>	<b>Nominations and Remuneration Committee (of the Council of Governors) 22 June 2023</b>
<b>Name of Committee</b>	<b>Nomination and Remuneration Committee</b>
<b>Type of Committee</b>	<b>Committee of the Council of Governors</b>
<b>1.</b>	<p><b>Purpose of Committee</b></p> <p>The Nomination and Remuneration Committee (the 'committee') has been established to:</p> <ul style="list-style-type: none"> <li>• Advise and make recommendations to the Council of Governors on the selection process, appointment, remuneration terms and conditions, and where necessary, the removal of, the Chair and Non -Executive Directors</li> <li>• Review skills and balance of the Non-Executive Directors to support succession planning</li> <li>• Be responsible for monitoring the performance of the Chair and Non-Executive Directors</li> <li>• Be responsible for advising and making recommendations to the Council of Governors in respect of the approval the appointment of the Chief Executive following receipt of recommendations on this from the Board of Directors Remuneration and Nomination Committee.</li> </ul>
<b>2.</b>	<p><b>Scope</b></p> <p>The scope of the committee is limited to nomination and remuneration requirements related to the Chair and other Non-Executive Directors. It does not include the processes concerning the recruitment and remuneration of Associate Non-Executive Directors which resides with the Board of Directors or with the recruitment and remuneration elements related to the Chief Executive except where indicated in terms of onward reporting to the Council of Governors.</p>
<b>3.</b>	<p><b>Authority / Accountability</b></p> <p>The Nomination and Remuneration and Committee is constituted as a standing committee of the Council of Governors its constitution and terms of reference are set out below, and are subject to amendments at future Council of Governors meetings as required and in line with any changes made to the Trust Constitution.</p> <p>The committee is authorised by the Council of Governors to act within its terms of reference. All members of staff are directed to cooperate with any request made by the committee.</p> <p>The committee is authorised by the Board of Directors and the Council of Governors to instruct professional advisors and request the attendance of individuals and authorities from outside our Trust with relevant experience and expertise if it considers this necessary or expedient to the exercising of its functions and in consultation with its internal advisors. See below.</p> <p>The Committee will receive reports from the Chair; the Executive Director of People; the Senior Independent Director and the Director of Corporate Governance as required, to support its deliberations and to enable it to fulfil its duties.</p>

4.	<p><b>Objectives of the Committee</b></p> <p>The committee is authorised by the Council of Governors to:</p> <ul style="list-style-type: none"> <li>• Carry out its duties as outlined in the terms of reference and to make recommendations to the Council of Governors on matters which require approval and in consultation with its internal advisors as outlined.</li> </ul>
	<p><b><i>Nominations and appointments</i></b></p> <p>The committee has delegated responsibility for:</p> <ul style="list-style-type: none"> <li>• Preparing a description of the role, responsibilities and requirements for the recruitment of the Chair and Non-Executive Directors taking into account the views of the Board of Directors</li> <li>• Approving recruitment documentation</li> <li>• Identifying and nominating suitable candidates for vacant roles</li> <li>• Periodically review the balance of skills, knowledge, qualifications, experience and diversity of the Chair and Non-Executive Directors having regard to the views of the Board of Directors and relevant guidance on Board composition</li> <li>• Ensuring compliance with the requirements outlined in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities and any subsequent updates), Regulations 201 and Regulation 5: Fit and Proper Persons requirements. The committee will receive an annual report provided by the Director of Corporate Governance, on Chair and Non-Executive compliance.</li> <li>• Evaluating the performance of the Chair and Non-Executive Directors with SID/Chair</li> <li>• Giving consideration to succession planning for the Chair and Non-Executive Directors, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future, with advice on this provided by the Chair and Director of Corporate Governance and Senior Independent Director as appropriate</li> <li>• Advising the Council of Governors in regard to any matters related to the removal of the Chair or Non-Executive Directors with advice provided by the Senior Independent Director and the Director of Corporate Governance as required</li> <li>• Participating in the shortlisting and appointment panels for appointment to roles within its remit</li> </ul> <p>Note: Termination of the Chair or a Non-Executive Director requires completion of a rigorous process with a number of steps undertaken before a recommendation will go forward to the Council of Governors. A decision on termination would require approval of three quarters of the members of the Council of Governors.</p>
	<p><b><i>Terms and Conditions including remuneration</i></b></p> <p>The committee has delegated responsibility for the following ensuring adherence with all relevant laws, regulations and guidance:</p> <ul style="list-style-type: none"> <li>• Recommending to the Council of Governors the remuneration and allowances and any other terms and conditions of the Chair and other Non-Executive Directors</li> <li>• Establishing levels of remuneration which are sufficient to attract, retain and motivate the Chair and other Non-Executive Directors of the quality and with the skills and experience required to successfully lead the Trust, whilst ensuring levels are appropriate for the roles, comparable with peers at similar sized NHS organisations, and at a level which is affordable to the Trust.</li> <li>• Taking appropriate benchmarking and market testing information into account, ensure that increases benchmark appropriately and are not made where Trust or individual performance do not justify them.</li> </ul>



	<ul style="list-style-type: none"> <li>• Receiving and evaluating reports about the performance of the Chair (by the Senior Independent Director) and the Non-Executive Directors (by the Chair); taking into account the views of the Chief Executive and any external advisors and key stakeholders</li> <li>• Annually reviewing the time commitment required for the roles of the Chair and the Non-Executive Directors</li> <li>• Overseeing other related arrangements for the Chair and Non-Executive Directors</li> <li>• Receiving reports from the Chair, Senior Independent Director, Executive Director of People and the Director of Corporate Governance and any external advisors appointed, as required to support the committee in discharging its duties.</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>• The remuneration of the Chair and Non-Executive directors should be reviewed at least every 3 years and when new appointments are made.</li> <li>• The role of Associate Non-Executive Directors (non-voting roles on the Board of Directors) lie within the remit directly of the Board of Directors for appointment, terms, and conditions.</li> </ul>
	<p><b>Succession Planning</b></p> <p>The committee is responsible for ensuring there are succession plans in place for the role of Chair and the other Non-Executive Directors taking into account terms of office, future challenges risks and opportunities faced by the Trust at any given time.</p> <p>In support of succession planning the committee will at least annually review the balance of skills, knowledge and experience of the Non-Executive Directors as advised by the Chair.</p>
	<p><b>Appointment of the Chief Executive</b></p> <p>The committee will receive recommendations from the Board of Directors Remuneration and Nomination Committee in respect of the appointment to the role of Chief Executive for onward recommendation for support from the Council of Governors.</p>
5.	<p><b>Membership</b></p>
	<p>The committee will be composed of</p> <ul style="list-style-type: none"> <li>• The Chair</li> <li>• Lead Governor</li> <li>• 2 Public Governors</li> <li>• 1 Service User/ Young Service User Governor</li> <li>• 1 Carer/Young Carer Governor</li> <li>• 1 Staff Governor</li> <li>• 1 Appointed Governor</li> </ul> <p>If the numbers nominated exceed the numbers of places available, membership will be discussed with the Lead Governor and a recommendation made to the Council of Governors.</p> <p>Where there are no nominees coming forward for a particular category members of Council of Governors can be co-opted to fill any vacancy.</p> <p>Only members of the committee or the regular attendees have the right to attend committee meetings.</p>
6.	<p><b>Attendees</b></p>
	<p>Neither the Chair nor any other Non-Executive Director should be involved in deciding his or her own remuneration.</p> <p>Other regular attendees will be:</p> <ul style="list-style-type: none"> <li>• Senior Independent Director</li> </ul>

	<ul style="list-style-type: none"> <li>• Director of Corporate Governance</li> <li>• Executive Director of People/Deputy Director of People as required</li> </ul> <p>Other persons may be invited to attend by the committee to assist in deliberations.</p>
7.	<p><b>Chair, Quorum, Attendance and Meetings</b></p> <p><b>Chair</b> The Trust Board Chair will chair the committee and in their absence or where appropriate to do so because of the nature of an item under discussion (i.e. where it relates to the chair), the Lead Governor or another member of the committee, at their request, will chair the meeting.</p> <p><b>Quorum</b> The committee will be quorate when five members of the committee are present which must include either the Chair or in their absence the Senior Independent Director.</p> <p><b>Attendance</b> Members are expected to attend all meetings. Apologies must be received by the administrator in advance of the meetings. All members will be required to attend a minimum of two thirds of all meetings held annually.</p> <p>Any member of the committee who has not attended 3 meetings and has not sent their apologies and provided a reasonable explanation, may be asked to step down from the committee.</p> <p><b>Meetings</b> Meetings will be called as required, but at least twice in each financial year.</p> <p>A formal agenda and supporting papers will be forwarded to all members, and those in attendance where appropriate, three working days prior to the date of the meeting wherever possible.</p> <p>The Head of Corporate Assurance will coordinate support to the committee and forward planning and will liaise with the Chair and the Director of Corporate Governance, to draw up the agendas.</p> <p>The committee will draw up an annual programme of those areas of its remit that may be planned and will undertake an annual review of the effectiveness of the committee in relation to fulfilling its terms of reference and provide reports to the Board of Directors as required on decisions made.</p> <p>If any member or invitee has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, they will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until its consideration is completed.</p>
8.	<p><b>Minutes and Reporting Arrangements</b></p> <ul style="list-style-type: none"> <li>• Formal minutes shall be taken of all committee meetings.</li> <li>• There are no Tier II groups reporting into this committee.</li> <li>• The committee will report to the Council of Governors after each meeting on discharge of its duties and key decisions made. The Chair will draw to the attention of the Council of Governors any issues, or decisions for disclosure which require action.</li> <li>• The committee shall receive and agree a description of the work of the committee, its policies and all Chair and Non-Executive Director emoluments in order that these are accurately reported in the required format in our Trust's Annual Report and Accounts</li> <li>• Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with our Trust.</li> </ul>

<b>9.</b>	<b>Administrative arrangements</b>									
	<p>The committee will be supported by a nominated administrator who will:</p> <ul style="list-style-type: none"> <li>• Produce a schedule of meetings and maintain the annual workplan for the committee.</li> <li>• Prepare the agenda and papers with the Chair and the Director of Corporate Governance and circulate three working days in advance of the meeting wherever possible.</li> <li>• Maintain accurate records of attendance, key discussion points and decisions taken and issue necessary action logs within five working days of the meeting.</li> <li>• Draft minutes, recording where the committee has delivered its purpose through relevant reports and subsequent discussion, debate and challenge, and where further information is required, for circulation to the meeting Chair within five working days of the meeting.</li> <li>• Organise future meetings, and</li> <li>• File and maintain records of the work of the committee in the required corporate records folder.</li> </ul>									
<b>10.</b>	<p><b>Meeting effectiveness review</b></p> <p>The committee will at least once a year, review its own performance and terms of reference to ensure it is operating to maximum effectiveness and recommend any changes it considers necessary to the Council of Governors for approval.</p> <p>A record of frequency of attendance by members, quoracy and frequency of meetings will be maintained. Any areas of concern will be highlighted to the Chair.</p>									
<b>11.</b>	<p><b>Review to be conducted by Committee Chair (Trust Board Chair)</b></p> <table border="1" data-bbox="277 1048 1559 1283"> <tr> <td data-bbox="277 1048 762 1086"><b>Date Committee established</b></td> <td data-bbox="772 1048 1559 1086">2009</td> </tr> <tr> <td data-bbox="277 1086 762 1196"><b>Terms of Reference to be reviewed</b></td> <td data-bbox="772 1086 1559 1196">Annually</td> </tr> <tr> <td data-bbox="277 1196 762 1234"><b>Date of last review</b></td> <td data-bbox="772 1196 1559 1234">February 2024</td> </tr> <tr> <td data-bbox="277 1234 762 1283"><b>Date of next review</b></td> <td data-bbox="772 1234 1559 1283">February 2025</td> </tr> </table>		<b>Date Committee established</b>	2009	<b>Terms of Reference to be reviewed</b>	Annually	<b>Date of last review</b>	February 2024	<b>Date of next review</b>	February 2025
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Approved by Nomination and Remuneration Committee – 8 February 2024