

Council of Governors - Public

SUMMARY REPORT

Meeting Date: 16 October 2024
 Agenda Item: 8

Report Title:	Nomination and Remuneration Committee (NRC) Report	
Author(s):	Amber Wild, Corporate Assurance Manager and Deborah Lawrenson, Director of Corporate Governance	
Accountable Director:	Sharon Mays, Chair	
Other meetings this paper has been presented to or previously agreed at:	Committee/Tier 2 Group/Tier 3 Group	NRC
	Date:	7 October 2024
Key points/ recommendations from those meetings	This report confirms key areas discussed at the most recent NRC meeting.	

Summary of key points in report

NRC – Nominations and Remuneration Committee
 NED – Non- Executive Director
 CoG – Council of Governors

Succession planning for NED roles

In the report received at NRC in September the committee was advised that NED Mark Dundon had stood down from his role to focus on his business, this was reported to all governors via email. It was confirmed in order to manage the loss of a NED at this time the Chair has discussed and agreed cover for the committee meetings he chaired and attended, with the NED team. This can be covered for a short period of time however recruitment to the vacant role will be needed.

Various discussions are being progressed with the Chief Executive, Board and relevant NEDs to inform and aid future discussions at a future meeting of the NRC on succession planning.

There is no further update at this time however for reference attached at **appendix 1** is a reminder of the terms of office of the Chair and the NEDs.

NED Appraisals

An update on the outcome of the NED appraisal process is provided in the confidential section of the meeting.

Executive roles update for information only

- The recruitment process for the for the substantive role of Executive Director of Nursing, Professions and Quality is underway and interviews took place on Tuesday 8th October. Caroline Johnson joined

us in October as the interim.

- Dawn Pearson is joining us in November replacing Deborah Lawrenson, Director of Corporate Governance who retires at the end of October. Dawn’s role will be Associate Director of Communications and Corporate Governance. This role will continue to lead on support to the Board and the Council of Governors, as well as leading on strategic communications and will continue to be responsible for other areas within Deborah’s current portfolio such as Corporate Risk Management, Freedom to Speak up and our Legal services.

Report on the work of the NRC from the Chair of committee

The presentation on the work of the committee was received at the Council of Governors in June 2024. An action was taken to provide the slides for information for the benefit of new Governors and these are attached at **appendix 2** for information.

Membership of the NRC

Governors are encouraged to consider putting their names forward to join the Nominations and Remuneration Committee which is the only formal subcommittee of the Council of Governors. It has a key role to play on its behalf in the appraisal and recruitment processes for the Chair and Non-Executive Directors. Interested Governors should email governors@shsc.nhs.uk.

Appendices:

Appendix 1 - Terms of office of the NEDs

Appendix 2 – Nomination and Remuneration committee presentation (for information only)

Recommendation for the Board/Committee to consider:

Consider for Action	Approval	Assurance	Information	x
The Council of Governors are asked to receive this update provided by the Nomination and Remuneration Committee for assurance.				

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	

Is this report relevant to compliance with any key standards ? State specific standard

Care Quality Commission Fundamental Standards	Yes		No	x	
Data Security and Protection Toolkit	Yes		No	x	
Any other specific standard?	Yes		No	X	

Have these areas been considered? YES/NO If Yes, what are the implications or the impact? If no, please explain why

Service User and Carer Safety, Engagement and Experience	Yes		No	x	
Financial (revenue & capital)	Yes		No	x	
Organisational Development /Workforce	Yes		No	x	
Equality, Diversity & Inclusion	Yes	x	No		NHSE guidance and benchmarking
Legal	Yes		No	x	

Environmental Sustainability	<i>Yes</i>		<i>No</i>	x	

Appendix 1

Name	Boards/Committees chaired	Tenure of office
<p>Brendan Stone – Associate NED</p> <p>Board appointment</p>	N/A	<p><u>Tenure of office</u></p> <p>Appointed from 7 March 2019 (4 years)</p> <p>Re-appointed 6 March 2023 (further 2 years)</p>
Owen McLellan	Chair of Finance and Performance Committee	<p><u>Tenure of office</u></p> <p>Appointed from 1 July 2022 (3 years)</p>
Olayinka Monisola Fadahunsi-Oluwole	Chair of Mental Health Legislation Committee	<p><u>Tenure of office</u></p> <p>Appointed from 7 June 2021 (4 years)</p>
<p>Sharon Mays</p> <p>Chair</p>	<p>Chair of:</p> <ul style="list-style-type: none"> • Board of Directors • Council of Governors • Remuneration Committee of the Board of Directors • Nominations and Remuneration Committee of the Council of Governors 	<p><u>Tenure of office</u></p> <p>Appointed from 1 October 2021 (18 months)</p> <p>Re-appointed from– 1 April 2023 (for a further 2 ½ years)</p>
<p><i>Mark Dundon</i></p>	<p><i>Chair of People committee until July 2024</i></p> <p><i>. Mark Dundon resigned in July 2024.</i></p> <p>VACANT POST</p>	<p><u>Tenure of office</u></p> <p><i>Term 1 – 1 March 2023 (3 years)</i></p>
<p>Heather Smith</p> <p>Deputy Chair</p>	<p>Chair of Quality Assurance Committee</p> <p>Chair of People Committee from July 2024</p>	<p><u>Tenure of office</u></p> <p>Appointed from 1 August 2019 (4 years)</p> <p>Re-appointed from - 1 August 2023 (for a further 3 years)</p>
<p>Anne Dray</p> <p>Senior Independent Director</p>	Chair of Audit and Risk Committee	<p><u>Tenure of office</u></p> <p>Appointed from 1 November 2020 (4 years)</p> <p>Re-appointed from -1 November 2024 (for a further 2 years)</p>

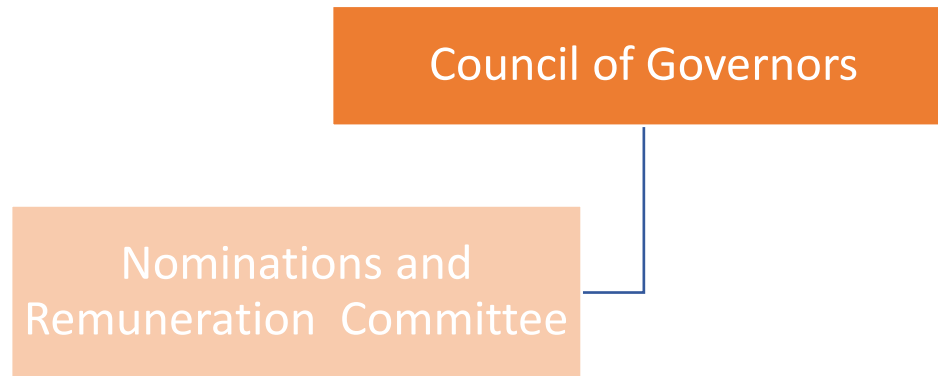
▶ **Nomination and Remuneration Committee (NRC)**

Sharon Mays, Committee Chair
20 June 2024

(re-shared for information 16 October 2024)



▶ Nominations and Remuneration Committee



- Statutory Committee that reports into Council of Governors
- The other Statutory Committees are Audit and Risk Committee and Remuneration Committee (for Exec roles) which report into the Board
- The committee has Terms of Reference which define the purpose and structure of the committee. These were updated in June 2023 and are reviewed annually . They were reconfirmed at the NRC meeting in February 2024.

Responsibilities

The NRC has the following delegated responsibilities on behalf of the Council of Governors:

- Review the skills and balance of the Non-Executive Directors to support succession planning
- Be responsible for monitoring the performance of the Chair and Non-Executive Directors
- 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
- Be responsible for advising and making recommendations to the Council of Governors in respect of the approval of the appointment of the Chief Executive following receipt of recommendations on this from the Board of Directors Remuneration Committee



Responsibilities - Review the skills and balance of the Non-Executive Directors to support succession planning

- In line with the Code of Corporate Governance 2022 all new Non-Executive appointments are now made with initial terms of 3 years
- The term of office for a Non-Executive should be for a maximum of 9 years except in exceptional circumstances and subject to rigorous review and NHSE approval after 6 years
- To support effective succession planning there is a need for the NRC to consider planning required for the roles of Chair and Non-Executive and Associate Non-Executive Directors (it should be noted the appointment to the Associate Non-Executive role is made by the Board of Directors)



Responsibilities - Be responsible for monitoring the performance of the Chair and Non-Executive Directors

- Monitoring the performance evaluation of the Trust Chair (via the Senior Independent Director) and the NEDs (via the Chair) on an annual basis
- The appraisal process includes a collation of feedback on the performance of NEDs and the Chair from governors, board members and external stakeholders (for the Chair). Views from the Board are also gathered. The feedback forms are based around the new competency domains from NHS England which were published in February 2024.
- *Governor feedback on Non-Executive and Chair appraisals are an important mechanism for measuring performance and are valued. The NRC encourage all governors to give their feedback.*
- The Council of Governors receive a report from the NRC confirming plans for the appraisals of the Chair and the Non-Executive Directors. Following completion of the appraisals a report on the outcome is received at the NRC
- A further report is received at the Council of Governors which provides the outcome of the appraisals and assurance that an appropriate process has been followed and the committee have been able to undertake its delegated functions appropriately

Responsibilities - 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



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- The NRC meets and receives considerations from the Board of Directors on any skills required for any appointments to Chair or Non-Executive roles and receives and approves job descriptions, recruitment and appointment processes
- The NRC approves the recruitment documentation and participates in shortlisting and appointment panels
- The committee reviews remuneration at least every 3 years and when new appointments are made

Note - Termination requires completion of a rigorous process with a number of steps taken before a recommendation would go to Council of Governors. The decision requires approval of three-quarters of the members of the whole Council



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Responsibilities - appointment of the Chief Executive

- Receive recommendations on this from the Board of Directors Remuneration Committee.
- Advise and make recommendations to the Council of Governors in respect of the approval of the appointment of the Chief Executive
- The Council of Governors approved the appointment of the new Chief Executive, on the recommendation of the NRC in April 2023.

► Membership

The Terms of Reference were updated for approval at NRC in June 2023, and confirmed in February 2024 with the following proposed composition:

Members:

- Chair of the Board and Council of Governors (Chair of the committee except where conflicted or items relate to their performance, remuneration or appointment)
- Lead Governor
- 2 Public Governors
- 1 Service User Governor/ Young Service User
- 1 Carer/ Young Carer Governor
- 1 Staff Governor
- 1 Appointed Governor

Members of Council of Governors can be co-opted to fill a vacancy

Quorum: Five of which one has to be the Chair or the Senior Independent Director

▶ Attendees

Normally in attendance:

- Director of Corporate Governance (Board Secretary) in an advisory and support role
- Senior Independent Director for items related to the appraisal or re-appointment of a Chair
- Director of People (HR) if required



2023 – 2024 meetings

In 2023-2024 the committee met 3 times to discuss and approve the following items:

- 4 October 2023
 - Outcome of NED appraisals
 - NED succession planning 26 May 2022
 - Board recruitment update
- 14 June 2023
 - Approval of proposed changes to the Constitution
 - NRC presentation to CoG
 - NRC Terms of Reference
 - Board recruitment update
 - Chair Appraisal outcome
- 8 February 2024
 - Succession planning for NED roles for 2024/25 planning
 - Annual Review of Effectiveness of NRC

