

Council of Governors' Nominations and Remuneration Committee

Terms of Reference

The Council of Governors' Nominations and Remuneration Committee is authorised by the Council of Governors to act within its terms of reference. All members of staff are requested to co-operate with any reasonable request made by the Council of Governors' Nominations and Remuneration Committee.

1. Nominations role

1.1 The Council of Governors' Nominations and Remuneration Committee will:

- Periodically review the balance of skills, knowledge, experience and diversity of the non-executive directors on the board and make recommendations to the board of directors with regard to the outcome of the review.
- Give consideration to succession planning for the chair and non-executive directors in the course of its work, taking into account the challenges and opportunities facing the NHS foundation trust and the skills and expertise needed on the board of directors in the future.
- Keep the leadership needs of the foundation trust under review at non-executive level to ensure the continued ability of the NHS foundation trust to operate and compete effectively in the health economy.
- Keep up to date and fully informed about strategic issues and commercial changes affecting the NHS foundation trust and the environment in which it operates, having regard to any relevant legislation and requirements of the independent regulator.
- Agree with the Council of Governors a clear process for the nomination of a chair and non-executive directors.
- Take into account the views of the board of directors on the qualifications, skills and experience required for each position.
- Prepare a description of the role and capabilities required for an appointment of non-executive directors, including the chair.
- Interview and nominate candidates as non-executive directors for approval by the Council of Governors respectively, ensuring that candidates are eligible for appointment under the Constitution.
- Ensure that a proposed chair's or non-executive director's other significant commitments are disclosed to the Council of Governors before appointment and that any changes to their commitments are reported to the Council of Governors as they arise.
- Ensure that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.

- Ensure that on appointment non-executive directors including the chair receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board of directors meetings.
- Review the results of the performance evaluation process for the chairman and non-executive directors.
- Review annually the time requirement for non-executive directors.
- Advise the Council of Governors in respect of re-appointment of any non-executive directors in relation to a term beyond six years (in accordance with paragraph 7, Annex 9 of the Constitution and Monitor's Code of Governance).
- Advise the Council of Governors in regard to any matters relating to the removal of office of a non-executive director including the chair (in accordance with Annex 7 of the Constitution).

2. Remuneration role

- 2.1 To decide and review the terms and conditions of office of the Foundation Trust's non-executive directors in accordance with all relevant foundation trust policies, including:
 - Salary, including any performance-related pay or bonus;
 - Provisions for other benefits, and allowances.
- 2.2 To adhere to all relevant laws, regulations and policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate non- executive directors whilst remaining cost effective.
- 2.3 To advise upon and oversee contractual arrangements for non-executive directors, including but not limited to termination payments.

3. Request for advice

- 3.1 The Council of Governors' Nominations and Remuneration Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.
- 3.2 The committee is authorised, subject to funding approval by the company secretary, to request professional advisors and the attendance of individuals and authorities from outside the foundation trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise its functions.

4. Membership

- 4.1 The Council of Governors' Nominations and Remuneration Committee will comprise the chairman of the trust, the deputy chairman, the lead governor, two governors from the public constituency and/or the patient and carer constituency, one staff governor and one governor from any constituency (patient and carer, public, staff or appointed). Each member of the Committee shall have one vote.
- 4.2 The Committee will normally be chaired by the NHS foundation trust chairman. Where the chairman has a conflict of interest, for example when the Committee is considering the chairman's re-appointment or salary, the Committee will be chaired by the deputy chairman.
- 4.3 When the chairman is being appointed or reappointed, the deputy chairman shall take his or her place, unless he or she is standing for appointment, in which case another

non-executive director shall be identified and agreed prior to the meeting to take his or her place.

- 4.4 Council of Governors will nominate themselves on an annual basis to sit on the Committee. The total length of tenure on the Committee for a governor will normally be 3 years.
- 4.5 Where the number of governors prepared to serve on the Committee is greater than the number of places available, then Committee members will be selected by election by their governor peers. Wherever possible, a mix of nominations will be sought from governors within their first and second term on the Council of Governors.
- 4.6 A quorum shall be five members, including the chairman or deputy chairman and at least one governor from the public constituency or the patient and carer constituency.

5. Attendance

- 5.1 Meetings of the Committee may be attended at the invitation of the chairman by the chief executive; head of human resources (operations); the company secretary; and any other person who has been invited to attend a meeting by the Committee so as to assist in deliberations.

6. Frequency of meetings

- 6.1 Meetings shall be held as required, but not less than once a year.

7. Minutes and reporting

- 7.1 The minutes of all meetings of the Committee shall be formally recorded.
- 7.2 The Council of Governors' Nominations and Remuneration Committee will report to the Council of Governors after each meeting. The chair of the Committee will be required to brief the board of directors.
- 7.3 The Council of Governors' Nominations and Remuneration Committee shall ensure that board of directors benefits are accurately reported in the required format in the Foundation Trust's annual report.
- 7.4 Members of the Committee will be required to attend the annual general meeting to answer questions from the Foundation Trust members and the wider public.

8. Review

- 8.1 The terms of reference of the Committee shall be reviewed by the Council of Governors and the board of directors at least annually.

April 2018