

Council of Governors Nominations and Remuneration Committee Terms of Reference

Please note that all references to Non-Executive Directors in these terms of reference are to be taken to include the Trust Chairman unless specifically indicated otherwise.

1. Constitution

The Council of Governors (the “Council”) hereby resolves to establish a Committee to the Council to be known as the Non-Executive Directors’ Nominations and Remuneration Committee (the “Committee”). The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

2. Terms of Reference

Nominations Role

- 2.1 The Committee shall, in respect of nominations:
- 2.1.1 Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Non-Executive Directors and make recommendations to the Council with regard to any changes;
 - 2.1.2 Give full consideration to and make plans for succession planning for the Non-Executive Directors taking into account the challenges and opportunities facing the foundation trust and the skills and expertise needed on the Trust Board in the future;
 - 2.1.3 Agree with the Council a clear process for the nomination of a Non-Executive Director;
 - 2.1.4 Be responsible for identifying and nominating for appointment, candidates to fill posts within the Committee’s remit as and when they arise;
 - 2.1.5 Evaluate the balance of skills, knowledge and experience on the Board of Directors, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - o use open advertising or the services of external advisers to facilitate the search;
 - o consider candidates from a wide range of backgrounds;
 - o consider candidates on merit against objective criteria;
 - o take into account the views of the Board of Directors as to the skills, experience and attributes required for each position;

- 2.1.6 Ensure that a proposed candidate meets the requirements of the Care Quality Commission's Fit and Proper Persons Test as set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014);
- 2.1.7 Ensure that a proposed non-executive director's other significant commitments are disclosed to the Council before appointment and that any changes to their commitments are reported to the Council as they arise;
- 2.1.8 Review the job descriptions of the Non-Executive Director role and that of the Chairman on an on-going basis;
- 2.1.9 Review annually the time required from Non-Executive Directors to perform their roles effectively. Performance evaluation should be used to assess whether the Non-Executive Directors are sufficiently fulfilling their duties;
- 2.1.10 Any matters relating to the continuation in office of any Non-Executive Director at any time including the suspension or termination of service.
- 2.1.11 The Committee shall make recommendations to the Council concerning the re-appointment of any Non-Executive Director at the conclusion of their three-year term of office having given due regard to their performance and ability to continue to contribute to the Board of Directors in the light of the knowledge, skills and experience required.

Remuneration Role

- 2.2 The Committee shall in respect of the remuneration role:
 - 2.2.1 Recommend to the Council a remuneration and terms of service policy for Non-Executive Directors, taking in account the views of the Trust Chairman (except in respect of his/her own remuneration and terms of service) and the Chief Executive, Director of Human Resources and any external advisers;
 - 2.2.2 In accordance with all relevant laws and regulations, recommend to the Council, the remuneration and allowances, and the other terms of conditions of office of Non-Executive Directors;
 - 2.2.3 Agree the process and receive and evaluate reports about the performance of individual Non-Executive Directors and consider this evaluation output when reviewing remuneration levels;
 - 2.2.4 In adhering to all relevant laws and regulations establish levels of remuneration which:
 - o Are sufficient to attract and retain Non-Executive Directors of the calibre and with the skills and experience required to lead the Trust successfully and which is at a level which is affordable for the Trust;

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- o Reflect the time commitment and responsibilities of the roles; and
- o Take into account appropriate benchmarking and market testing.

3 Membership and attendance

3.1 The membership of the Committee shall consist of governors appointed by the Council;

3.2 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive, the Director of Human Resources and external advisers may be invited to attend for all, or part of, any meeting, as and when appropriate.

3.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for a further three-year period, provided the committee member remains a member of the NHS Foundation Trust.

3.4 The Committee will normally be chaired by the Trust Chairman. Where the Chairman has a conflict of interest, for example, when the Committee is considering the Chair's re-appointment, performance or remuneration, the Committee will be chaired by the Senior Independent Director. In the absence of the Senior Independent Director, the Committee will elect a governor member to chair the meeting.

3.5 The Trust Chairman or any other Non-Executive Director present at Committee meetings will withdraw from discussions concerning their own re-appointment, remuneration or terms of service.

4 Quorum

4.1 No business shall be transacted at a meeting unless the Trust Chairman or nominated deputy, and three Governors are present for the whole meeting.

5 Frequency of meetings

5.1 The committee shall meet at least once a year.

6 Authority

6.1 The Committee is authorised by the Council to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

6.2 The Committee is authorised by the Council to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

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7 Monitoring Effectiveness

7.1 The Committee will undertake an annual review of its performance against its work plan in order to evaluate the achievement of its duties.

8 Other Matters

8.1 The Committee shall be supported administratively by the Trust Board Secretary, whose duties in this respect will include:

- Agreement of the agenda with the Trust Chairman;
- Collation and distribution of the papers;

8.2 The Trust Board Secretary will minute the meeting.

9 Review

9.1 These terms of reference will be reviewed at least annually as part of the monitoring effectiveness process.

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