

Council of Governors' Appointments and Performance Committee

Terms of Reference

1. Authority

- 1.1 The Council of Governors' Appointments and Performance Committee (the committee) is constituted as a standing committee of the Council of Governors. Its constitution and terms of reference shall be as set out below, subject to amendment at future meetings of the Council of Governors.
- 1.2 The 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 request made by the committee.
- 1.3 The committee is authorised by the Council of Governors, subject to funding approval by the Board of Directors, to request professional advice and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.
- 1.4 The committee is also authorised to request such internal information as is necessary and expedient to the fulfilment of its functions.

2. Conflicts of interest

- 2.1 The Chair of the Trust, or any Non-Executive Director present at committee meetings, will withdraw from discussions concerning their own reappointment, remuneration or terms of service.

3. Appointments

The committee will:

- 3.1 Periodically review the balance of skills, knowledge, experience and diversity of the Non-Executive Directors and, having regard to the views of the Board of Directors and relevant guidance on Board composition, make recommendations to the Council of Governors with regard to the outcome of the review.
- 3.2 Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making use of the output of the Board evaluation process as appropriate; and make recommendations to the Board with regard to any changes; review annually the time commitment requirement for Non-Executive Directors.
- 3.3 Keep the leadership needs of the Trust under review at Chair and Non-Executive level to ensure the continued ability of the Trust to operate effectively in the health economy.

- 3.4 Keep up to date and fully informed about strategic issues and commercial changes affecting the Trust and the environment in which it operates.
- 3.5 Give 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.
- 3.6 For the appointment of the Chair and each Non-Executive Director, prepare a description of the role and capabilities and expected time commitment required.
- 3.7 Make recommendations to the Council of Governors concerning plans for succession, particularly for the key role of Chair, and agree a clear process for the nomination of a new Chair and Non-Executive Directors for approval by the Council, taking into account the views of the Board of Directors on the qualifications, skills and experience required for each position.
- 3.8 Identify and nominate suitable candidates within the committee's remit, for appointment by the Council of Governors.
- 3.9 Ensure that a proposed 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.
- 3.10 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.
- 3.11 Ensure that on appointment, the Chair and each Non-Executive Director receives 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.
- 3.12 Advise the Council of Governors in respect of the re-appointment of the Chair and any Non-Executive Director. Any term beyond six years must be subject to a particularly rigorous review.¹
- 3.13 Advise the Council of Governors in regard to any matters relating to the removal from office of the Chair and any Non-Executive Director.

4. Remuneration role

The committee will:

- 4.1 Recommend to the Council of Governors remuneration and terms of service policy for the Chair and Non-Executive Directors, taking into account the views of the Chair (except in respect of his own remuneration and terms of service) and the Chief Executive and any external advisers.

¹ Trust Constitution August 2020 32.3 On appointment, the duration of a term of office for a Non-Executive Director (including the Chair) shall be three (3) years. Subject to satisfactory appraisal, a Non-Executive Director (including the Chair) may be re-appointed by the Council of Governors for a further full term, normally serving a maximum of six (6) years. Exceptionally the Council of Governors may agree to extending the term of office of a Non-Executive Director (including the Chair) by a further twelve (12) months in order to maintain continuity of knowledge and experience within the Board.

Code of Governance 2022 states *Chairs or NEDs should not remain in post beyond nine years from the date of their first appointment to the board of directors and any decision to extend a term beyond six years should be subject to rigorous review*

- 4.2 In accordance with all relevant laws and regulations, recommend to the Council of Governors the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors.
- 4.3 Agree the process and receive and evaluate reports about the performance of the Chair and individual Non-Executive Directors and consider this evaluation output when reviewing remuneration levels.
- 4.4 In adhering to all relevant laws and regulations, establish levels of remuneration which:
 - 4.4.1 are sufficient to attract, retain and motivate Non-Executive Directors of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust;
 - 4.4.2 reflect the time commitment and responsibilities of the roles;
 - 4.4.3 take into account appropriate benchmarking and market-testing, while ensuring that increases are not made where Trust or individual performance do not justify them; and
 - 4.4.4 are sensitive to pay and employment conditions elsewhere in the Trust.
- 4.5 Oversee other related arrangements for Non-Executive Directors.

5. Membership

- 5.1 The membership of the committee shall consist of seven governors, including at least one from each constituency and with public governors in the majority, appointed by the Council of Governors, one of whom must be the Lead Governor.
- 5.2 The committee will normally be chaired by the Trust Chair. Where the Chair has a conflict of interest, for example when the committee is considering the Chair's re-appointment or remuneration, the committee will be chaired by the Lead Governor.
- 5.3 A quorum shall be four members, two of whom must be public governors.

6. Secretary

- 6.1 The Trust Secretary shall be secretary to the committee.

7. Attendance

- 7.1 Only members of the committee have the right to attend committee meetings.
- 7.2 Other persons may be invited by the committee to attend a meeting so as to assist in deliberations.

8. Frequency of meetings

- 8.1 Meetings shall be held as required, but at least once in each financial year.

9. Minutes and reporting

- 9.1 Formal minutes shall be taken of all committee meetings and once approved by the committee, circulated to all members of the Council of Governors unless a conflict of interest, or matter of confidentiality exists.
- 9.2 The committee will report to the Council of Governors after each meeting.

9.3 The committee shall receive and agree a description of the work of the committee, its policies and all Non-Executive Director emoluments in order that these are accurately reported in the required format in the Trust's annual report.

10. Performance evaluation

10.1 The committee shall review annually its collective performance.

11. Review

11.1 The terms of reference of the committee shall be reviewed by the Council of Governors at least annually.

Approved by Appointments and Performance Committee 15 June 2023

TBC Approved by Council of Governors 29 June 2023

Review date: June 2024