

Council of Governors

13 March 2024

Report Title:	Non-Executive Director Recruitment
Executive/NED Lead:	Helen Taylor, Trust Chair Kate Read, Director of People and Organisational Development
Report author(s):	Ann Filby, Trust Secretary

Approval
 Discussion
 Information
 Assurance

Executive summary

The Council of Governors is responsible for the appointment of Non-Executive Directors, including the Trust Chair. The Appointments and Performance Committee undertakes the detailed work, prior to recommending a preferred candidate to the Council for consideration.

Appointments of Non-Executive Directors (NEDs) are usually made for a three-year term, as set out within the Trust's Constitution, with the possibility of re-appointment for a further three years subject to a satisfactory appraisal. NEDs normally serve a maximum of six years. Exceptionally the Council may agree to extending the term of office of a NED by a further 12 months to maintain continuity of knowledge and experience within the Board. The Trust currently appoints Associate Non-Executive Directors as non-voting development posts, for a single two-year term. In accordance with *Schedule 7, 16(4)*, a person may be appointed as a non-executive director only if he is a member of a public constituency or the patients' constituency, or where any of the corporation's hospitals includes a medical or dental school provided by a university, he exercises functions for the purposes of that university.

At the Council of Governors on 19 September 2023, the timetable for recruitment during 2024 was agreed in principle. A further meeting of the Committee was required to take forward the appointment to several NED roles. A report was considered at the Committee held on 5 March, including learning from the process held in October/November 2023. The recruitment requirements are set out and the engagement of an Executive Search company is proposed.

On 29 February 2024, the [NHS leadership competency framework for board members](#) was published. This will require amendment of job descriptions to ensure that the competency domains are included. These are: Driving high quality and sustainable outcomes; setting strategy and delivering long-term transformation; promoting equality and inclusion and reducing health and workforce inequalities; providing robust governance and assurance; creating a compassionate, just and positive culture; and building a trusted relationship with partners and communities.

A proposal is also presented regarding the extension of Richard Spencer's term of office by 12 months for agreement in principle. This recognises the significant change due in the NEDs, the need for some continuity on the Board and the continuation of the current Senior Independent Director. This is an important role, available to Directors and Governors if they have concerns which contact through the normal channels of Chair, Chief Executive, and Director of Finance has failed to resolve, or for which such contact is inappropriate. The Integrated Care Board Chair is supportive, and the Trust Chair has engaged with the NHS England Regional Director. Once agreement has been secured, and Council has considered and approved the proposal, the NHS England form will be completed and submitted.

Action Required of the Committee/Council

The Council of Governors is invited to approve the Committee's recommendation:

- to progress the recruitment process and the engagement of an Executive Search company
- a focus on clinical expertise, financial management and project management within very large and complex projects/programmes as the priority skills required
- the principle of extending Richard Spencer's term of office for 12 months.

1. Recruitment requirements

The following vacancies will arise in the next 12-18 months. Due to the number, it is recommended that an external Executive Search company be appointed to support all recruitment. The aim is to secure maximum benefit from their experience, rigorous analysis of potential candidates and expert advice to enable a diverse shortlist for consideration in this Council-led recruitment process. The Head of Recruitment is currently progressing this in line with the Trust's procedures for engaging external consultancy firms.

All terms of office are for three years, except for the Associate Non-Executive Director. This is a non-voting development role for two years' duration and is not subject to reappointment at the end of that term of office. The following appointments may be required:

By 31 October 2024

- One Non-Executive Director to replace Eddie Bloomfield at the end of his second term of office.
- One Associate Non-Executive Director replacing Karen Sinnott, appointed as a Non-Executive Director with effect from 1 December 2023.
- The potential for replacement of John Humpston and Mike Gogarty should they not wish to or are not eligible for reappointment at the end of their first term of office. This will be confirmed following the annual performance review process when their intentions and performance rating are finalised.
- The proposed extension of Richard Spencer as Non-Executive Director and Senior Independent Director for 12 months from 1 November 2024 to 31 October 2025 to reflect the significant change in the NED cohort and the need for continuity. This requires Integrated Care Board Chair and regional approval prior to presentation to the Council of Governors.

31 March 2025

- Trust Chair, replacing Helen Taylor, who reaches the end of her second term as Chair. This appointment will require wider stakeholder engagement to meet NHS England requirements as a leader in the local health and care system.

4 April 2025

- One Non-Executive Director to replace Hussein Khatib at the end of his second term.
- Associate Non-Executive Director to replace Usha Sundaram, who ends her term on 14 April 2025

31 October 2025

- Should Richard Spencer's term of office be extended for a further 12 months, recruitment would be required to his role. A Senior Independent Director would be appointed from the Non-Executive membership on the Board, prior to Richard's departure, in accordance with the requirements of the Trust's Constitution.

2. Key skills and experience to be sought

There is a base level of experience and skills that will be required for any appointment at this level in order to perform effectively the role of a Director for a public sector organisation of the size and complexity of ESNEFT.

A strong connection to and understanding of the local area is essential. Additional skills and experience are proposed as below. These reflect the future plans of the Trust and collaborative working across a range of health and care organisations, ensuring that the Board has access to the appropriate skills and experience across its membership.

- Senior clinical experience (to replace the nursing expertise of Hussein Khatib)
- Financial management expertise, in considering the challenging financial position of the NHS, succession planning and chairing of the Board's Finance and Performance Committee and Audit and Risk Committee. For the latter, the current Chair comes to the end of his second term of office on 31 December 2026, and *the Board should satisfy itself that at least one member has recent and relevant financial experience.*¹
- Project management within very large and complex projects/programmes.

3. Promoting diversity on the Board

A diverse Board is stronger and makes better decisions, drawing on a wider range of experiences. This helps to improve the access and health outcomes for patients and communities and supports our aim to become a more inclusive employer by making full use of the talents of our diverse staff.

The Council will be aware that there is a national focus on ensuring that diversity is improved at Board and senior manager levels, across all protected characteristics, but with a particular emphasis on encouraging diversity related to ethnic background and disability. As part of that focus, the NHS has set out expectations that, by 2025, all NHS organisations will have Boards and senior management that will reflect the diversity of either (a) their community or (b) their staff body, taking the more diverse of the two as setting the expectation.

For this Trust, the staff base is more diverse than the local demographic, with currently over 24.7% of staff recording a black or other minority ethnic (BAME) background; there has been a significant improvement in the number of staff disclosing a disability (6.3%) with only 9.4% of staff choosing not to disclose.

In March 2023 the Council was successful in confirming the appointment of an Associate NED identifying as Asian/Asian British and with a disclosed disability.

Whilst the Board is becoming much more diverse, further work is still required to meet the diversity expectations in respect of all protected characteristics.

There remains a gender imbalance within the Non-Executive Directors, with only two female NEDs remaining on the Board, and this is not a reflection of the majority female workforce.

The Trust-wide ethnicity data as of 28 February 2024 is as follows:

24.7% BAME

75.2% White/White Other

0.1% have not disclosed.

(Local demographics as of 31 March 2023 was around a 10% BAME v 80% White/white other)

¹ Code of governance for NHS provider trusts, October 2022, Section D, Audit, risk and internal control

<u>Ethnicity Grouping</u>	<u>HC</u>
BAME	3062
Unstated / Not disclosed	13
White / White Other	9211

Disability: 6.3% of staff have declared a disability and non-disclosure has reduced to 9.4%:

<u>Disability Disclosure</u>	<u>HC</u>
No	10445
Not declared /Unspecified	1159
Yes	782

At the present time, the Board does not quite meet the diversity expectations in respect of ethnic background; it is believed to meet the requirement in respect of disability:

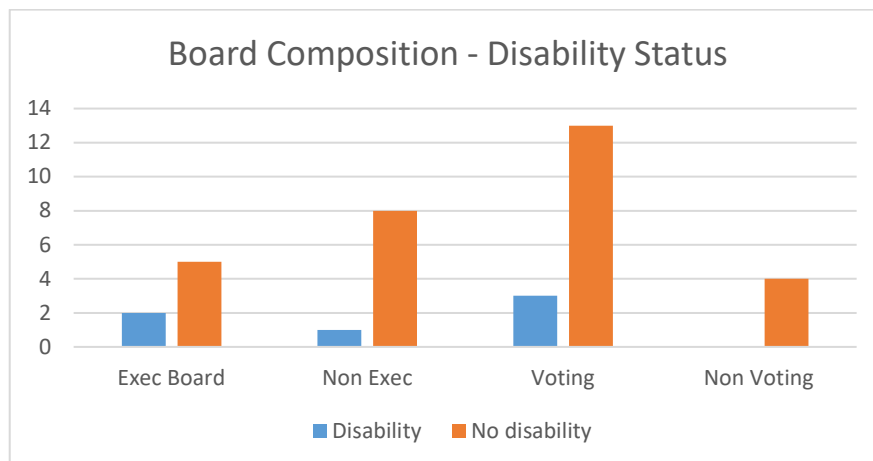
The breakdown of ethnicity is as follows:
 10% BAME
 90% White/White Other



	Exec Board	Non Exec
White	7	7
BME	0	2

	Voting	Non-Voting
White	14	4
BME	2	0

And breakdown of disability status is:
 3 (15%) have declared a disability
 17 (85%) have declared no disability



Whilst it would be unlawful to engage in positive discrimination in making the appointments, positive action should be taken to ensure that equal opportunities are available and that these appointments are brought to the attention of a very diverse group. This will provide the widest possible range of candidates to give the panel a much better opportunity to secure diversity in the short-list and increase the potential of diverse appointments being made.

The engagement of an external recruitment consultancy which specialises in the identification of candidates for senior positions will enhance the Council's ability to focus on equity, diversity and inclusion.

In line with the requirements of the NHS Code of Governance, paragraph 5.2, all members of the Appointments and Performance Committee will be required to complete relevant recruitment and selection and unconscious bias prevention training prior to the first appointment.

As was the case for the recruitment in the autumn of 2023, it is advised that the recruitment process should not move to the interview stage if there is insufficient diversity demonstrated by shortlisted applicants.

4. Remuneration

The remuneration for the role is currently £13,000 pa. A review of Non-Executive Director remuneration is underway, for presentation to a future Committee and Council.

5. Recruitment timetable

The previously approved appointment checklist has been revised and will be populated once the Executive Search company has been appointed and an appropriate timetable agreed. The previous Executive Search recruitment timetable has been utilised to prepare an indicative schedule. The process will not start in earnest until the early summer following completion of the annual performance reviews to clarify the number of vacancies:

- Appointment of Executive Search and initial discussions – April-early June
- Client briefings and role profile, advert and candidate briefing back copy approval, to include stakeholder panel/interview date – May-early June
- Roles advertised – w/c 26 June (post Council), c6 week search. A separate process will be required later in the year to recruit to the Trust Chair
- Governor appointments to this Committee confirmed post-election and interview panel confirmed – late June/early July
- Recruitment and selection and unconscious bias training undertaken for interview panel and reserves – July
- Long-list meeting – early August
- Executive Search holds preliminary interviews – 2 weeks, August, potentially longer during this holiday period
- Shortlisting meeting – late August
- Stakeholder panel – to be confirmed, either prior to the interview or on the day, early September
- Panel interview – c1 week after shortlisting, early September
- Verbal offer, pending references and all checks – post interview
- Council approval – additional meeting or existing Council 26 September
- Checks completed and start date confirmed.

6. Appointment Panel

The panel will be confirmed following the Council elections, constituted in line with the NHS Code of Governance Section C, 2.6, with governors and/or independent members in the majority.

Members would be involved in long-listing, short-listing and the interview, and would then make recommendations to Council for approval.

The panel is to be confirmed from the following individuals:

Helen Taylor, Trust Chair – to identify what the Chair requires on the Board

Lead Governor

One Public Governor

One Staff Governor

One Partnership Governor

An external assessor from either the Integrated Care System or NHS East of England – tbc; likely to be the NHSE Regional Director for the Chair appointment

In support:

Director of Governance George Chalkias or Executive Search representative

Workforce support and advice – Director of People and Organisational Development Kate Read or

Deputy Director Debbie O'Hara

Reserves: tbc once final panel confirmed

The process would also be supported by the Trust Secretary, working closely with the appointed Executive Search company.

7. Recommendation

The Council of Governors is invited to approve the Committee's recommendation:

- to progress the recruitment process and the engagement of an Executive Search company
- a focus on clinical expertise, financial management and project management within very large and complex projects/programmes as the priority skills required
- the principle of extending Richard Spencer's term of office for 12 months.