

## Council of Governors

<b>Subject:</b>	Report of the Governor Remuneration and Nomination Committee	<b>Date:</b> 12 <sup>th</sup> November 2019		
<b>Prepared By:</b>	Shirley A Higginbotham, Director of Corporate Affairs			
<b>Approved By:</b>	Sue Holmes, Lead Governor			
<b>Presented By:</b>	Sue Holmes, Lead Governor			
<b>Purpose</b>				
To provide the Council of Governors with an update regarding proposed changes to the realignment of Chair and Non-Executive Directors Remuneration. To recommend and seek approval by the Council of Governors the re-appointment of John MacDonald as the Chair of Sherwood Forest Hospitals NHS Foundation Trust.		<b>Decision</b>		
		<b>Consider</b>	X	
		<b>Approval</b>	X	
		<b>Assurance</b>		
<b>Strategic Objectives</b>				
<b>To provide outstanding care to our patients</b>	<b>To support each other to do a great job</b>	<b>To inspire excellence</b>	<b>To get the most from our resources</b>	<b>To play a leading role in transforming health and care services</b>
X	X	X	X	
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
	X			
<b>Risks/Issues</b>				
<b>Financial</b>	N/A			
<b>Patient Impact</b>	N/A			
<b>Staff Impact</b>	N/A			
<b>Services</b>	N/A			
<b>Reputational</b>	N/A			
<b>Committees/groups where this item has been presented before</b>				
Governor Remuneration and Nomination Committee 31 <sup>st</sup> October 2019				
<b>Executive Summary</b>				
<b>Realignment of Chair and Non-Executive Remuneration</b>				
<p>In September 2019 NHSE/I issued a revised structure to align the remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts.</p> <p>For Sherwood Forest Hospitals NHS Foundation Trust, as a foundation trust it is for the Council of Governors to determine the remuneration for the chair and non-executive directors.</p> <p>The aim of the revised structure is to reduce disparities between remuneration of non-executive directors of NHS trusts and NHS foundation trusts.</p> <p>The revised structure indicates changing to a single uniform remuneration rate for Non-executive directors by April 2021, with local discretion to award supplementary payments for those non-executive directors who have additional responsibilities such as undertaking the duties of senior independent director or chairing board committees.</p> <p>The revised structure states it is not intended to change remuneration during anyone's tenure but</p>				

to review and consider the ranges at appointment and re-appointment.

**Committee recommend** to the Council of Governors to consider the revised structure on appointment of a new non-executive director and on the re-appointment of a current non-executive director, during this process the allocation of supplementary payments will also be considered.

### **Reappointment of the Chair**

The Chair is appointed and reappointed by the Council of Governors at a general meeting.

On 29<sup>th</sup> February 2020, the three year tenure of John MacDonald will come to an end. John has confirmed his willingness to continue in office and has had a positive appraisal.

John is a highly experienced and effective Chair with significant knowledge about the Trust's history, performance, quality imperatives, governance requirements and strategic intent having been initially appointed in 2017 for a period of 3 years.

Committee considered the revised structure regarding remuneration for chairs of NHS foundation trusts, and agreed that the current remuneration of the chair reflected his expert knowledge and experience and was within the range recommended by the guidance

**Committee recommend** to the Council of Governors, for approval, the re-appointment of John MacDonald for a period of 3 years to 28<sup>th</sup> February 2023 and to retain the current remuneration level.

Below is the appropriate section of the trusts constitution to aid discussion

In line with section 8.6.3.4 of the Trusts Constitution, noted below: 'At the discretion of the Council of Governors re-appointment is permitted up to a maximum of 9 years.'

Outlined below for ease of reference, is an extract of the Trust's Constitution in connection with non-executive directors' Terms of Office.

#### **Terms of Office**

Subject to paragraph 8.6.3, the Chairman and the other Non-Executive Directors are to be appointed for a period of office in accordance with the terms and conditions of office (including as to remunerations and allowances, which shall be published in the Annual Report) decided by the Council of Governors in general meeting.

Non-Executive Directors:

- 8.6.3.1 shall be appointed for a period of up to 3 years;
- 8.6.3.2 are, subject to paragraphs 8.6.3.3 and 8.6.3.4 eligible for re-election at the end of the period referred to in paragraph 8.6.3.1;
- 8.6.3.3 shall not, except in exceptional circumstances, hold office for a period in excess of 6 years; and
- 8.6.3.4 where appointed for more than 6 years shall, at the discretion of the Council of Governors, be so appointed either on the basis of:

- a) annual re-appointment; or
  - b) a competitive process
- up to a maximum 9 years.