

**Governors Council
Nomination & Remuneration Committee**

**Minutes of the meeting held on Monday 26th November at 11am
in the Boardroom, James Paget University Hospital**

Present:	John Hemming	Chairman
Governors:	Liz Harrison	Public
	Chris Smith	Public
	Tim Barrett	Public
	Richard Morling	Public
In attendance:	Liz Cooke	Deputy Director of Human Resources
	Rebecca Driver	Head of Communications & Foundation Secretary
	Ann Filby	Foundation & Communications Manager Minute Taker

Action

- Welcome and Apologies for Absence**
Apologies were received from Paul Smith, Peter Harrison, Wendy Mawer and David Wright. The Chairman welcomed the two new members, Richard Morling and Tim Barrett.
- Declaration of interests**
There were none declared.
- Minutes of previous meeting held on 13th August 2007**
All items were actioned. The Chairman would raise further with David Prior the NNUH Foundation Trust application and their governor representation.

JH
- Terms of Reference and effectiveness of Committee**
The revised Terms of Reference were presented, with the inclusion of two new members. The Committee **noted** the change. It was agreed that the Deputy Chairman would be an ex officio member of all the Governors Council Committees in order that his attendance figures would not be affected.

AMF
- Non Executive Director (NED) Appraisal Process 2007-08**
Liz Cooke presented her paper, focusing on the two issues of performance related pay and the process for the future. The original process had been presented by an independent person and the Committee agreed it in October 2006. However, applying it in practice proves it doesn't work for this Trust. The existing members outlined the discussion from the last meeting for the benefit of the new members.

Pay related to performance
Performance should not be linked to pay, particularly if it is difficult to measure this for NEDs whose role covers 3 days per month. The important issue is the level of scrutiny they apply to the Executive Team and how a development plan is attached to the current process. Incentives should be part of the overall remuneration.

Tim Barrett outlined his concerns with the base figures for the Chairman and NEDs; working out the hourly rate there appeared to be no consistency in the structure. Tim agreed to email his figures to Rebecca Driver. The Hay Group survey of all FTs had been considered originally, against the size of Trust, when agreeing rates. The FT Network's latest figures will be presented to the company secretaries network in December. There was also a suggestion that NEDs could get paid pro rata the same as the Executive Directors. If the Trust wants to continue to attract the right people the remuneration needs to be commensurate with the role. Bearing in mind the public perception of the use of resources, there would need to be a much better level of understanding if further increases were planned.

Liz Cooke reported that the NHS pay award had just been resolved and was being paid to all staff this month.

Appraisal process - NEDs

The Committee considered the process that had been in use for the last four years and the Chairman outlined the detail. The Trust's objectives are set out and the NEDs have additional objectives as necessary. The Chairman detailed those set for each non executive. At the end of the year a self assessment is undertaken and the outcome of this process is reported to this Committee. Richard Morling felt that it should be a straightforward process for post holders working 3 days per month. Rebecca Driver outlined the definitions of performance at 3.2 as being helpful. This actually includes a fully satisfactory and generally satisfactory and this needs to be clarified and added sentence the selection boxes in the revised process.

Appraisal process - Chairman

The Chairman is assessed by the Senior Independent Director, currently Jean Mason. Last year Jean met with a number of people and gave all governors the opportunity to attend a meeting or feed back on the Chairman's performance. The previous year the Chairman undertook an electronic 360 degree appraisal, with 12 people across the region taking part including the Strategic Health Authority, local council, PCT, matrons, chair of medical staff committee, two executive directors and the PPI Forum. The Chairman fed the results back to this Committee.

Tim Barrett was uncomfortable with the current process with the Senior Independent Director appraising the Chairman and vice versa and how this could be viewed by the public. Referring to the Chesterfield FT model, details of which were tabled, the Deputy Chair and Senior Independent Director were involved, with the report coming from an independent source. It was suggested that the Deputy Chair of the Governors Council could be present. Hugh Sturzaker's understanding of the hospital and the public's opinion of him would assist as he will be viewed as a person who can challenge. A written response from governors/other contributors via a questionnaire would also add to the process. The Chairman agreed to obtain a copy of the Chesterfield questionnaire if possible so this could utilised if it meets the Trust's requirements.

Succession planning

The Committee discussed the issue of the Chairman specifically and when a 360 degree appraisal would be most useful. It was **agreed** that the year 2 appraisal would be utilised as a basis for the requirements when appointing a chairman if the current postholder did not wish to continue.

It was **agreed** that:

- the performance related pay should be discontinued. There was some unease about future salary being less than currently. Liz Cooke would check whether the payment was consolidated and advise
- a draft process would be prepared for the next meeting, utilising these discussions, Monitor and FT Network guidance and the Chesterfield process, and including the succession planning element.
- the Trust would continue with the current timetable and following the formal assessments between April and June the Chairman would report back to the Committee with key areas of work each NED is focusing on. For a new NED, a review is undertaken at the end of their induction programme, at around 6 months.

LC

RD/LC

Rebecca Driver highlighted how important the discussion had been on this key part of the Governor's role. This was another good example of the work that governors should be doing that could be included in the discussion at Friday's meeting.

6. **Presentation to Governors Council**

It was **agreed** that Chris Smith would present the outcome to the next meeting of the Governors Council.

CS/AMF

7. **Any Other Business**

There was no further business.

8. **Date, time and venue of next meeting:**

The next Nomination & Remuneration Committee Meeting was arranged for 10am on **Monday 18th February 2008** in the Barton Room, Education & Training Centre, James Paget University Hospital. Apologies were received from Chris Smith.

Distribution:

Committee members

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