

**Governors Council  
Nomination & Remuneration Committee**

**Minutes of the meeting held on Monday 13<sup>th</sup> August at 9.30am  
in the Boardroom, James Paget University Hospital**

<b>Present:</b>	John Hemming	Chairman
<b>Governors:</b>	Paul Smith	Staff
	Peter Harrison	Staff
	Wendy Mawer	Appointed
	David Wright	Appointed
	Liz Harrison	Public
	Chris Smith	Public
<b>In attendance:</b>	Liz Cooke	Acting Director of Human Resources
	Ann Filby	Foundation & Communications Manager
		Minute Taker

**Action**

- Welcome and Apologies for Absence**  
Apologies were received from Rebecca Driver, Head of Communications & Foundation Secretary.
- Declaration of interests**  
There were none declared.
- Annual Review of Terms of Reference and effectiveness of Committee**  
The Chairman presented the revised Terms of Reference and outlined the change in name of the Executive Remuneration Committee to conform with Monitor's Code of Governance. Market testing of remuneration at least every three years had also been added.  
  
The revised Terms of Reference were **approved**.  
  
Chris Smith suggested some additional public governors on the Committee would be advantageous. It was agreed that Ann Filby would consider the Public Governors' profiles and approach 2/3 governors with experience in this area and therefore some understanding of the process.
- Non Executive Director Appraisals 2006-07**  
The Chairman outlined the background and principles previously agreed. He detailed the 2006/07 objectives, highlighted the achievement of Foundation Trust status and the responsibility and work this had entailed for all Board members. The MRSA target, which had not been achieved, was also considered.

**AMF**

**AMF**

David Wright queried what the other Non Executive Directors have to do to achieve the outstanding performance outcome of the Chairman, Vice Chairman and Audit Chairman. Whilst he appreciated that the system is thorough, the Governors may raise this. Liz Cooke stated that one of the criteria under Monitor is attendance at Board meetings, and some non executive directors are able to give more time than others. The Chairman confirmed that attending meetings was not a part of his assessment although he appreciated that this was technically correct.

There was extensive discussion and it was recognised that all non executive directors should have the opportunity to achieve an Outstanding performance rating. Issues included:

- The need to set out the criteria used;
- Training opportunities for NEDs (included as part of the appraisal process);
- Remuneration: satisfactory performance should not necessarily be rewarded. Should there be another category included? Clinical excellence awards for consultants was provided as an example;
- Consider further the relationship between performance and remuneration;
- A more formalised assessment process taking into account views from a number of areas/individuals.

The appraisal process and outcomes for 2006/07 were **agreed**. The Committee was satisfied that following thorough discussion, and recognising the huge amount of work undertaken to become a Foundation Trust, the outcome was appropriate.

It was agreed that the Committee would consider a draft process for 2007/08 at its next meeting. The Chairman asked Peter Harrison to give some input on this, considering his work on appraisal and assessment for the Deanery. It was therefore likely that this would not be presented to the Governors Council until March 2008 rather than December 2007 as planned.

PH/LC/  
AMF

The Committee went on to consider the detail of the remuneration policy previously approved by the Governors Council in November 2006. The Committee **approved the performance incentives as follows**, for presentation to the Governors Council with the outcome of the appraisal process:

AMF

Role	Person	Assessment	Performance Incentive £
Chairman	John Hemming	Outstanding	3,000
Vice Chairman	Jean Mason	Outstanding	1,000
Audit Chairman	Ken Gaylard	Outstanding	1,000
NED	Annette Stannard	Satisfactory	500
NED	Hugh Roberts	Satisfactory	500
NED	David Edwards	Appointed 1.4.07.	N/A

The Committee briefly considered the FTN survey and Hay Group paper on remuneration but did not discuss in detail.

5. **Non Executive Director Appointment: Ken Gaylard**  
 The Committee **approved** Ken Gaylard's first appointment as a Foundation Trust Non Executive Director, from March 2008 for a three year term, for presentation to the Governors Council. **AMF**
- In future, such appointments would be accompanied by a list of the non executive director's achievements to enable the Committee to make a decision. The Chairman highlighted that Ken Gaylard had served 3½ years as a non executive director, Chairman of Audit Committee for 3 years, Chairman of Charitable Funds Committee, member of Healthcare Governance Committee and Information Governance Action Group. **AMF**
6. **Selection Process for Non Executive Directors**  
 Ann Filby highlighted the amendments made in light of the work on the Monitor Code of Governance and experience from using the process in the Trust's first appointment of a non executive director. The Chairman felt it had worked well in the appointment of David Edwards and feedback had been positive. The equality statement would be forwarded to Ann for inclusion in the Job Descriptions and the error amended on the Chairman's (delete point 19). The revised process was **approved for presentation** to the Governors Council. The Chairman thanked Ann for her work on this. **LC**  
**AMF**
7. **Any Other Business**  
NUUH FT application: David Wright stated that if the Trust become an FT he would cease to become a governor as set out in the Trust's constitution. A decision was likely late in the year/early 2008.
- NHS pay position update: Liz Cooke updated the Committee on the national position. A 2½% pay award had been offered in two stages – 1½% April, 1% in November, with a different offer of a one off payment for consultants. All assemblies outside England have paid 2.5% from 1<sup>st</sup> April. For England a further offer has now been made which keeps the staged award with varying payments for groups of staff. Paul Smith outlined that Amicus and Unison will be balloting on these proposals, which he suspects will be rejected. It was unlikely there will be a pay settlement before Christmas.
- Non Executive Directors' performance linked with remuneration: The Chairman returned to this issue, with concern having been expressed by governors. The Chairman was not comfortable with the process. Liz Cooke read from the minutes of the meeting on 11<sup>th</sup> October following Roy Haynes' detailed paper and the discussions of the decision made at that time. This would be reviewed in future, with data comparisons required for next year.
8. **Date, time and venue of next meeting:**  
 The next Nomination & Remuneration Committee Meeting was provisionally arranged for 10am on **Monday 19<sup>th</sup> November 2007** in the Boardroom, James Paget Hospital.

**Distribution:**  
 Committee members

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