

Council of Governors
Non-Executive Director Appointment and Remuneration
6 July 2017

1. Background

This paper seeks approval from the Council of Governors regarding the following:

- The appointment process for the vacant Non-Executive Director position
- The proposal for a 1% increase in remuneration for the Chair and Non-Executive Directors

2. Vacant Post of Non-Executive Director

The resignation of one of the Non-Executive Directors has created a vacancy on the Board of Directors. Patrick Callaghan successfully joined the Board as a nominated candidate from the University of Nottingham. A paper was submitted to the Nominations and Remuneration Committee for consideration not to reappoint a replacement NED with an academic connection with a local university.

The Trust has benefited significantly from having a university nominated Non-Executive director position and recognises the value which this has brought to the Board of Directors and the wider organisation. As is good practice and detailed within the constitution, it is important for the Board of Directors to periodically review the expertise and skill set amongst the Board to enable a cohesive approach to delivering on the Trusts strategic direction.

It is important to note that since the departure of Jane Warder and Patrick Callaghan, the Non-Executive team will have very limited clinical experience amongst them. In terms of accountability and scrutiny a varied range of skill, experience and understanding of services is vital. Whilst it is not suggested that the potential candidate essentially has a clinical background, it would be desirable.

The committee supported the rationale for opening the vacant NED post to be accessible for whole of market and recommended that the Council of Governors approve this.

3. Nominations and Remuneration Committee

At the meeting of the Nominations and Remuneration Committee held on 27 June 2017 the committee considered:

- The remuneration uplift for the Senior Independent Director, Vice Chair and Audit Chair
- The proposal for a 1% increase in remuneration for Non-Executive Directors
- It was confirmed that all NED's and the Chair had received either good or outstanding in their recent appraisals

Remuneration Uplift

At this meeting the committee considered the uplift remuneration for specific duties undertaken by the Non-Executive Directors. The existing annual uplift arrangements are:

- Chair of Audit £2000
- Vice Chair £2000
- Senior Independent Director - £2000

These arrangements were discussed and it was recommended by the committee that these payments should remain unchanged.

Increase on Remuneration

The committee considered the 2017/18 pay award for the NHS. This year this pay award had not been targeted to different staff groups, instead it had been awarded across the board to all staff. In consideration of this the committee recommended paying the 1% pay award to the Non-Executive Directors and the Trust Chair in respect of their basic remuneration, and undertook to recommend to the Council of Governors to make this pay award.

The current basic pay for the Chair and NEDs:

- Chair - £48,480
- NEDs - £13,130

When considering the above remuneration and uplifts the committee were provided with benchmarking data from NHS Providers against other NHS Foundation Trusts of a similar size.

4. Recommendations

It is recommended that the Council of Governors note the contents of this paper and;

- Approve the recommendation that the uplifts for the Vice Chair, Chair of Audit and Senior Independent Director remain unchanged
- Approve the 1% pay award to the Non-Executive Directors and the Trust Chair in respect of their basic remuneration. This will not be applied to the payments made for uplifts

The committee believed that retaining existing experience would provide Board stability. On this basis the committee will recommend to the Council of Governors that they approve the extensions to each of these.

Jenny Britten

Lead Governor July 2017