

Governors' Nomination Committee Terms of Reference

Version: 4

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1. Role and Purpose

- 1.1 The Governors' Nomination Committee (the **Committee**) is responsible for advising and/or making recommendations to the Council of Governors (the **CoG**) on:
 - 1.1.1 the appointment and reappointment of the chair and non-executive director (**NED**) positions on the board of directors (the **Board**) of University Hospital Southampton NHS Foundation Trust (**UHS** or the **Trust**);
 - 1.1.2 the remuneration, allowances and other terms and conditions of the chair and NEDs;
 - 1.1.3 the evaluation of the performance of the chair and NEDs; and
 - 1.1.4 the approval of the appointment of the chief executive by a committee of the NEDs.
- 1.2 The Committee provides the CoG with a means of ensuring a formal, rigorous and transparent procedure for the appointment of the chair and NEDs and remuneration for the chair and other NEDs reflects the time commitment and responsibilities of their roles in accordance with relevant laws, regulations and Trust policies.
- 1.3 The duties and responsibilities of the Committee are more fully described in paragraph 7 below.

2. Constitution

- 2.1 The Committee has been established by the CoG. The Committee has no powers other than those set out in the Trust's constitution and these terms of reference.
- 2.2 The Committee is authorised by the CoG to act within its terms of reference. All members of staff are requested to cooperate with any request made by the Committee.
- 2.3 The Committee is authorised to seek information from executive directors and managers as is necessary and expedient to the fulfilment of its functions.
- 2.4 The Committee is authorised by the CoG to request independent professional advice if it considers this necessary, taking into consideration any issues of confidentiality and the Trust's standing financial instructions.

3. Membership

- 3.1 The members of the Committee will be the chair of the CoG and Board, the Lead Governor and three governors appointed by the Council of Governors. At least one member of the Committee will be an appointed governor, at least one member of the Committee will be a governor elected by the members of the public constituency, and at least one member of the Committee will be a governor elected by members of the staff constituency. For the purposes of determining whether a constituency is represented on the Committee, the Lead Governor's constituency membership shall be counted in this regard.
- 3.2 The chair of the CoG and Board will chair the Committee (the **Committee Chair**). Where the chair has a conflict of interest, for example when the Committee is considering the chair's reappointment or remuneration, the Committee will be chaired by the senior independent director/deputy chair or another non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the governors present will elect one of themselves to chair the meeting.
- 3.3 Only members of the Committee have the right to attend and vote at Committee meetings. However, the following will be invited to attend meetings of the Committee on a regular basis:

- 3.3.1 the Chief People Officer;
 - 3.3.2 the Associate Director of Corporate Affairs/Company Secretary; and
 - 3.3.3 the Council of Governors' Business Manager.
- 3.4 Other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary, particularly when the Committee is considering areas that are the responsibility of a particular executive director or manager. Any attendee will be asked to leave the meeting when the Committee is dealing with matters concerning their appointment or removal, remuneration or terms of service.

4. Attendance and Quorum

- 4.1 Members should aim to attend every meeting and should attend a minimum of 75% of meetings held in each financial year. Where a member is unable to attend a meeting they should notify the Committee Chair or Company Secretary in advance.
- 4.2 The quorum for a meeting will be three members, including the chair of the CoG and Board (or the senior independent director/deputy chair as appropriate or other non-executive director) and a governor elected by either the members of the public or staff constituency. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

- 5.1 The Committee will meet as required, which will usually be a minimum of four times each year.

6. Conduct and Administration of Meetings

- 6.1 Meetings of the Committee will be convened by the Company Secretary at the request of the Committee Chair or any of its members.
- 6.2 The agenda of items to be discussed at the meeting will be agreed by the Committee Chair with support from the Chief People Officer and the Company Secretary. The agenda and supporting papers will be distributed to each member of the Committee and the regular attendees no later than three working days before the date of the meeting. Distribution of any papers after this deadline will require the agreement of the Committee Chair.
- 6.3 The Company Secretary will minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance and any declarations of interest.
- 6.4 Draft minutes of Committee meetings and a separate record of the actions to be taken forward will be circulated promptly to all members of the Committee.

7. Duties and Responsibilities

- 7.1 The Committee will carry out the duties below for the Trust.

Nomination Role

- 7.2 The Committee will:
 - 7.2.1 periodically review the balance of skills, knowledge, experience and diversity of the NEDs and, having regard to the views of the Board and relevant guidance on board composition, make recommendations to the CoG with regard to the outcome of the review;

- 7.2.2 review the results of the Board performance evaluation process that relate to the composition of the Board;
- 7.2.3 review annually the time commitment required for the chair and the NEDs;
- 7.2.4 give consideration to succession planning for NEDs, taking into account the challenges and opportunities facing the Trust and its plans to address them, and consulting with the Board as to the skills and expertise needed on the Board in the future;
- 7.2.5 agree with the CoG a clear process for the appointment of the chair or a NED, including, in the case of any new appointments to the Board:
 - 7.2.5.1 preparing a description of the role and capabilities required for the chair or each NED appointment and the expected time commitment, taking into account the views of the Board on the qualifications, skills and experience required;
 - 7.2.5.2 the use open advertising or the services of external advisers to facilitate the search; and
 - 7.2.5.3 the composition of the interview panel, which shall include a majority of governors;
- 7.2.6 identify and nominate suitable candidates to fill vacant posts within the Committee's remit, for appointment by the CoG, considering candidates from a wide range of backgrounds on merit and against objective criteria, with due regard for the benefits of diversity on the Board including gender and clinical backgrounds, taking care that appointees have enough time available to devote to the role;
- 7.2.7 ensure that a proposed chair or NED is a 'fit and proper' person as defined in law and regulation;
- 7.2.8 ensure that a proposed chair's or NED's other significant commitments are disclosed to the CoG before appointment and that any changes to their commitments are reported to the CoG as they arise, including appointment to executive or other office;
- 7.2.9 ensure that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported;
- 7.2.10 determine whether or not the chair or any NED proposed for appointment is independent (according to the definition in The Foundation Trust Code of Governance and/or in the Trust's constitution or governance procedures);
- 7.2.11 ensure that on appointment the chair and NEDs receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- 7.2.12 advise the CoG in respect of the reappointment of the chair or any NED in accordance with the Trust's constitution, with a particularly rigorous review of any term beyond six years, having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 7.2.13 advise the CoG in regard to any matters relating to the continuation in office or removal from office of the chair or a NED; and
- 7.2.14 carry out similar duties in relation to the any Associate NEDs, adapted as appropriate.

Remuneration and Evaluation Role

7.3 The Committee will:

- 7.3.1 recommend to the CoG a framework or broad policy for the remuneration and terms of service for the chair and NEDs, taking into account applicable guidance and the views of the chair (except in respect of his or her own remuneration and terms of service), the Chief People Officer and/or Chief Executive Officer and any external advisers;
- 7.3.2 in accordance with all relevant laws and regulations, recommend to the CoG the remuneration and allowances, and the other terms and conditions of office, of the chair and NEDs;
- 7.3.3 agree the process for evaluation of the chair and NEDs and receive and review reports about the performance of the chair and individual NEDs and consider this evaluation output when reviewing remuneration levels;
- 7.3.4 in adhering to all relevant laws and regulations establish levels of remuneration which:
 - 7.3.4.1 are sufficient to attract, retain and motivate a chair and NEDs of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust;
 - 7.3.4.2 reflect the time commitment and responsibilities of the roles;
 - 7.3.4.3 take into account appropriate benchmarking and market-testing or remuneration in other NHS foundation trust of comparable scale and complexity, while ensuring that increases are not made where Trust or individual performance do not justify them; and
 - 7.3.4.4 are sensitive to pay and employment conditions elsewhere in the Trust, especially when determining any annual salary increases;
- 7.3.5 be responsible for establishing the criteria for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, either periodically or when considering making major changes;
- 7.3.6 monitor procedures to ensure that existing directors remain 'fit and proper' persons as defined in law and regulation;
- 7.3.7 oversee other arrangements related to remuneration and performance evaluation of the chair and NEDs; and
- 7.3.8 carry out similar duties in relation to the any Associate NEDs, adapted as appropriate.

8. Accountability and Reporting

- 8.1 The Chair of the Committee will report to the CoG following each meeting.
- 8.2 The Trust's annual report will include sections describing the work of the Committee including remuneration policies, details of the remuneration paid to NEDs and the process it has used in relation to the appointment of NEDs.

9. Review of Terms of Reference and Performance and Effectiveness

- 9.1 At least once a year the Committee will review its collective performance and its terms of reference. Any proposed changes to the terms of reference will be recommended to the CoG for approval.

10. References

- 10.1 National Health Service Act 2006
- 10.2 NHS Foundation Trust Code of Governance
- 10.3 Trust Constitution

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