Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

COUNCIL OF GOVERNORS
17th May 2012

TITLE	**Remuneration and Appraisal Committee Minutes**
EXECUTIVE SUMMARY	The minutes from the Committee meetings held on 20 January 2012 and 20 March 2012 (Draft) are attached for information. The Committee discussed ▪ Non Executive Director remuneration ▪ Chairman's appraisal ▪ 3 Non Executive Directors' part year appraisals
The Council is asked to:	Note the minutes
Submitted by:	Aileen McLeish Chairman
Date:	20th April 2011
Decision:	For Noting

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

Council of Governors

Minutes of the Remuneration & Appraisal Committee
20 January 2012

Seminar Room, Level 2, St Peter's Hospital
10.30am- 11.30am

PRESENT:	Mr David Frank (Chair)	Public Governor – Surrey Heath
	Ms Judi Linney	Public Governor – Runnymede
	Mr Hugh Meares	Appointed Governor – Runnymede
	Ms Michèle Low	Public Governor – Hounslow
	Mr Paul Wills	Staff Governor
APOLOGIES:	Mr Andrew Liles	Chief Executive
IN ATTENDANCE:	Ms Raj Bhamber	Director of Workforce and Organisational Development
	Miss Jane Gear	Board Secretary / Head of Corporate Affairs

Minute **Action**

R&A-1/12 Minutes of Previous Meeting

The minutes of the meeting held on 23 November 2011 were agreed as a correct record subject to amending two typographical errors.

MATTERS ARISING

R&A-2/12 Foundation Trust Network Non-Executive Director Pay Survey and possible options for pay 2012 (Minutes R&A 15/11 and 16/11 refer)

The Director of Workforce and Organisational Development advised the Council of Governors that there were three main options as to considering the pay for the Chairman and the Non-Executive Directors from 2012. These would include making no award, taking a similar approach to other staff i.e. an incremental award, or confirming the position for the Trusts nearest Foundation Trust e.g. the Royal Berkshire, the Royal Surrey County and Frimley Park Hospital.

The Foundation Trust Network had conducted a pay survey across all Foundation Trusts in October 2011. Not all Foundation Trusts had responded and an extract of the results, focused on Acute Trusts based in the South of England and London, had been circulated with the agenda. It was noted that the information collected by the FTN did not show percentage increases year on year.

In reviewing the information, the Committee noted that the Council of Governors had agreed a significant increase to the Chair and Non-

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Executive Director remuneration when the Trust had been authorised as a Foundation Trust. The data showed that the Non Executive Directors were now remunerated towards the top end of the survey results.

The Governors discussed the position and agreed that as the Trust was currently paying a good market rate, and in a context of pay freezes for staff, it would not be appropriate to recommend a pay increase for 2012. As pay would be reviewed annually, if the circumstances of the Trust changed, for example if the Epsom acquisition proceeded, this could be taken into consideration at the next review.

The Governors asked for general information on the Trust's pay policy and trends over recent years as this would provide helpful background context. **RB**

R&A–3/12 Progress on appraisal for the Chairman

The Senior Independent Director (SID), Peter Taylor, was leading on the Chairman's appraisal. The Governors were advised that the 360 degree review had now been completed and the formal Appraisal Meeting was scheduled for the 25 January. After this, the SID would need to meet with David Frank, Lead Governor in accordance with the agreed process.

The Committee reflected that the Committee was responsible for agreeing the procedure (for formal agreement by the Council) and then reviewing whether the process of appraisal was applied effectively. The appraisal process included review of progress against pre-set objectives.

The Chairman's appointment period ended in September 2012, and the Nominations and Appointments Committee had agreed to make a recommendation to the May Council of Governors on possible re-appointment. In order to do this the Nominations and Appointments Committee need the outcome of her appraisal.

The Remuneration and Appraisal Committee discussed the possible timetable and the interface with the Nominations and Appointments Committee. It was agreed to do a process map setting out the stages linking appraisal and consideration of re-appointment. It was agreed that the Committee could meet virtually if a meeting was required prior to the February Council of Governors. **JG**

R&A-4/12 Progress on appraisal of Non-Executive Directors

It was noted that the Chairman had now met with the Non-Executive Directors regarding their individual appraisals. In addition, the Non-Executive Directors 360 degree reviews had been concluded.

In discussion, it was agreed that it would be helpful for the Council to be clear about the proposed objectives for Non-Executive Directors, as this was part of ensuring a robust appraisal process.

Future meetings of the Committee should receive formal reports rather than the verbal update on matters relating to appraisal. **JG/RB**

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It was agreed to obtain example reports relating to the outcome of appraisal from other Foundation Trusts. **JG/RB**

R&A-5/12 Any other Business

There was no other business.

R&A-6/12 Date of Next Meeting

To be confirmed subject to the timetable referred to in item **R&A-3/12**

Signed

David Frank (Chairman)

20 March 2012

Action log

Meeting Date	Minute Ref	Topic	Action	Lead	Due Date	Comment as at	Status
20/01/12	**R&A-2/12**	**Non-Executive Director Pay Survey**	Provide general information on the Trust's pay policy and trends over recent years	**RB**	Nov/Dec 12 (to inform next pay review)	Not due	
20/01/12	**R&A–3/12**	**Progress on appraisal for the Chairman**	Process map setting out the stages linking appraisal and consideration of re-appointment	**JG**	March 12	Attached to agenda	✔

Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

Council of Governors

Minutes of the Remuneration & Appraisal Committee
20 March 2012

Finance Meeting Room, Chertsey House, St Peter's Hospital
2.00pm- 3.30pm

PRESENT:	Mr David Frank (Chair)	Public Governor – Surrey Heath
	Ms Judi Linney	Public Governor – Runnymede
	Ms Michèle Low	Public Governor – Hounslow
	Mr Paul Wills	Staff Governor
APOLOGIES:	Mr Hugh Meares	Appointed Governor – Runnymede
IN ATTENDANCE:	Ms Raj Bhamber	Director of Workforce and Organisational Development
	Mr Andrew Liles	Chief Executive
	Mrs Aileen McLeish	Chairman (Minute number R&A–11/12 onwards)
	Mr Peter Taylor	Senior Independent Director (Minute numbers R&A–7/12-10/12)
	Miss Jane Gear	Board Secretary / Head of Corporate Affairs

Minute **Action**

R&A-7/12 Minutes of Previous Meeting

The Minutes of the meeting held on 20 January 2012 were agreed as a correct record.

MATTERS ARISING

R&A-8/12 Non-Executive Director Pay (minute R&A – 2/12 refers)

The previous meeting had discussed the options in respect of Non-Executive Director remuneration for 2012-13. The meeting had concluded that remuneration should remain static for the coming year unless the circumstances of the Trust changed, and it was noted that a formal recommendation would now be made to the May Council of Governors' meeting. **DF**

R&A-9/12 Process Flow for Appraisal and Re-appointment (minute R&A – 3/12 refers)

A note showing how the appraisal and re-appointment processes interrelated, together with a specific timetable for 2012 which took into account scheduled re-appointment dates, had been circulated and was

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noted.

R&A–10/12 Progress on appraisal for the Chairman

It was noted that Hugh Meares had discussed the paperwork for the meeting with David Frank, Lead Governor, who was therefore able to take into account Hugh Meares' views.

Peter Taylor, Senior Independent Director, had conducted the Chairman's appraisal in accordance with the procedure agreed by the Council of Governors in May 2011.

The process included the use of the 360° tool and it was noted that Lead Governor had taken soundings from the Chairman on her perspective of its value. The general view was the questions were useful for all the stakeholders selected, although the addition of a 'not applicable' column would be helpful. **RB**

It was noted that a major part of the Chairman's role was developing relationships with external stakeholders, and therefore seeking a wide range of views for the 360° review was essential in order to test how the relationships worked.

Peter Taylor gave a verbal summary to the Committee of the outcome of the Chairman's appraisal and noted that it had been extremely positive. There were two areas where the Chairman herself was keen to develop an increased focus: firstly on patient experience and secondly on developing financial strategy. Whilst these were not areas where the Chairman would be hands on, it was important that the Trust had a clear strategic direction and hence leadership objectives in these areas would be included in the Chairman's annual objectives.

The Remuneration and Appraisal Committee ENDORSED the outcome of the Chairman's appraisal for April 2011 to March 2012 noting that a report would be made to the May Council of Governors' meeting, and that the general outcome would also form part of the Nominations and Appointments Committee's consideration of the Chairman's re-appointment.

Peter Taylor then left the meeting.

R&A–11/12 Summary Appraisal Report – Philip Beesley.

Aileen McLeish joined the meeting for the Non-Executive Director appraisal discussions.

Overview:

It was noted that the papers provided in respect of the three Non-Executive Directors mistakenly referred to the appraisal process for the Chairman. It was confirmed that the Non-Executive Director appraisal process had been conducted in accordance with the approach agreed with the Council of Governors and had included input to the 360° tool

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from:

- Board of Directors.
- Members of the Council of Governors.
- Senior clinicians.
- Members of subcommittees relevant to the particular Non-Executive Director role.

Each of the three appraisal reports included direct extracts from the individual Non-Executive Director appraisal documentation.

It was noted that the appraisal process for both the Non-Executive Directors and Executive Directors was being carried out at the same time however, the wide range of contributors and stakeholders would help to ensure objectivity.

Philip Beesley : In reviewing the report provided, it was noted that it had been identified that the major Board subcommittee, the Integrated Governance and Assurance Committee, was not highly visible to the Council of Governors and therefore Philip Beesley, as chairman of the Committee, needed to be supported in raising his profile with the Council. The Chairman and Chief Executive would consider how to continue to raise the profile of all the Non-Executive Directors. One suggestion was the inclusion of a formal agenda item for all Board sub-committees identifying matters to be reported back to the Council of Governors. **AMcL/AL**

Overall the appraisal for Philip Beesley was extremely positive and the Remuneration and Appraisal Committee ENDORSED the outcome of this appraisal.

R&A–12/12 Summary Appraisal Report, Terry Price

In considering the report, the Governors present confirmed that the general view of the Governors was that Terry Price had a robust profile with the Council.

Terry Price was Chair of the Audit Committee and was also a member of the working group led by Governors making a recommendation on the appointment of the External Auditors to the Council of Governors. It was noted that the process was taking longer than originally anticipated, although Terry Price was not responsible for the process.

The appraisal identified Terry Price as an effective Non-Executive Director and Chair of the Audit Committee and the Remuneration and Appraisal Committee ENDORSED the outcome of the appraisal.

R&A–13/12 Summary Appraisal Report on Peter Taylor

In introducing the report, the Chairman highlighted that Peter Taylor had also undertaken interim chairmanship of the Finance Committee during periods of changeover of Non-Executive Directors.

The Governors present commented that they felt Peter Taylor had a strong profile with the Council of Governors. This was particularly

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important in his role as Senior Independent Director.

Overall the appraisal report identified Peter Taylor as an effective Non-Executive Director and the Remuneration and Appraisal Committee ENDORSED the outcome of the interim appraisal.

ANY OTHER BUSINESS

R&A-14/12 Appraisal Cycle

The appraisals for the remainder of the Non-Executive Directors, together with the full year appraisals for the three Non-Executive Directors considered at the meeting, would conclude in May / June. The Committee would need to consider the outcome of the appraisals prior to the September 2012 Council of Governors' meeting.

R&A-15/12 Date of Next Meeting

To be confirmed – prior to September 2012

Signed

David Frank (Chairman)

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Action log

Meeting Date	Minute Ref	Topic	Action	Lead	Due Date	Comment as at	Status
20/01/12	**R&A-2/12**	**Non-Executive Director Pay Survey**	Provide general information on the Trust's pay policy and trends over recent years	**RB**	Nov/Dec 12 (to inform next pay review)		
20/03/12	**R&A–10/12**	**Progress on appraisal for the Chairman**	Include 'not applicable' column into 360 tool	**RB**	March 13		
20/03/12	**R&A–11/12**	**NED profiles**	Consider general ways of raising the profile of the Non Executive Directors	**AMcL/AL**			

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