

COUNCIL OF GOVERNORS

Meeting to be held on Friday 24 May 2019 at 13:30 in the Conference Room, Trust Headquarters, Marlborough Street, Bristol, BS1 3NU

AGENDA

NO.	AGENDA ITEM	PURPOSE	SPONSOR	PAGE NO.
1.0 Preliminary Business				
1.1	Introduction and apologies	Information	<i>Chairman</i>	Verbal
1.2	Declarations of Interest	Information	<i>Chairman</i>	Verbal
2.0 Non-executive Director appointments				
2.1	Appointment of Non-Executive Directors	Approval	<i>Trust Secretary</i>	p. 2
2.2	Non-Executive Director Expenses – Change in Policy	Approval	<i>Trust Secretary</i>	p. 7
3.0 Concluding Business				
3.1	Any Other Business	Information	<i>Chairman</i>	Verbal
3.2	Date and time of next meeting Tuesday 30 July 2019, 2pm, Conference Room, Trust HQ	Information	<i>Chairman</i>	Verbal

**Cover report to the Council of Governors meeting to be held on 24 May 2019 at
14:00 in the Conference Room, Trust Headquarters, Marlborough Street,
Bristol, BS1 3NU**

Meeting Title	Council of Governors	Agenda Item	2.1
Report Title	Non-Executive Director Appointments		
Author	Eric Sanders, Trust Secretary		
Executive Lead	Eric Sanders, Trust Secretary		
Freedom of Information Status	Open		

Governor Responsibility (please tick any which are impacted on / relevant to this paper)	
Holding the Non-Executive Directors to account	<input type="checkbox"/>
Non-Executive Director appointments (appraisal review)	<input checked="" type="checkbox"/>
Constitutional/forward plans	<input type="checkbox"/>
Member/Public interests	<input type="checkbox"/>
Significant transaction/private patient increase	<input type="checkbox"/>
Appointment of External Auditor	<input type="checkbox"/>
Appointment of the Chief Executive	<input type="checkbox"/>

Action/Decision Required (please tick any which are relevant to this paper)			
For Decision	<input type="checkbox"/>	For Assurance	<input type="checkbox"/>
		For Approval	<input checked="" type="checkbox"/>
		For Information	<input type="checkbox"/>

Report
<p>This report summarises the steps taken to recruit new Non-Executive Directors to the Trust in 2019 and asks the Council of Governor to approve the Nominations and Appointments Committee's recommendation to approve three new appointments.</p> <p><u>Background:</u> Recruitment has been taking place to fill three Non-Executive Director vacancies on the Trust's Board of Directors, following the departure of Jill Youds and Alison Ryan on 31 March, and to cover John Moore's departure on 31 December.</p> <p>The intention was to appoint two Non-Executive Directors, with a further candidate joining the Board in a 'Designate' capacity.</p> <p><u>Non-Executive Director Designate Role:</u> The Trust had developed the Designate role as part of its succession planning strategy for the Board. Non-Executive Directors (Designate) were appointed in the same way as Non-Executive Directors. They were not eligible to vote, but they were nevertheless expected to involve themselves in the activity of the Board on the understanding that they would be provided with development opportunities which would support their application to a full Non-Executive Director position as one arose. The Nominations and Appointments Committee had worked with the Chair to refine the role over the years, and in April 2018 the Council of Governors approved a revised role description for the NED Designate role with remuneration to be set at half that of full non-executive directors</p>

for a lesser time commitment (approximately one day per month).

Process: The role description for Non-Executive Director and the appointment process was reviewed by the Nominations and Appointments Committee at their meetings in December 2018 and March 2019. An External Recruitment Agency (Odgers Berndtson) was appointed and the positions were advertised. All applications were assessed against the job description and person specification and those that met the criteria were shortlisted on 4 April 2019 by the Interview Panel. The panel included Committee members Mo Phillips and Malcolm Watson, as well as Jeff Farrar (Chair), Michelle Romaine, (Chair of North Bristol NHS Trust), with Eric Sanders (Trust Secretary) and Matt Joint (Director of People) attending in an advisory capacity.

The final candidates shortlisted came from a diverse range of backgrounds, reflecting the Trust's commitment (as supported by Governors) to attract as diverse a cross-section of candidates for the roles as possible.

The Interview Panel interviewed the shortlisted candidates on 24 April and 1 May according to the criteria previously approved by the Council of Governors.

As well as a formal interview, candidates were required to attend a discussion group which included governor representation (Jane Sansom, Andy Coles-Driver, Sue Milestone and Ray Phipps) as well as staff representation. These were held on the same day as interviews (24 April and 1 May).

Outcome

The final selection of candidates was agreed by the interview panel, incorporating feedback from the discussion groups, to be:

- **Bernard Galton**
- **Jayne Mee**
- **Sue Balcombe (NED Designate)**

They will be appointed for a three-year term of office, with the exception of the Non-Executive Designate, who will be appointed until May 2020, with the opportunity to be considered for the role of Non-Executive Director when a vacancy arises during that time. Subject to performance appraisal, a NED Designate would be appointed to a full NED post if they indicate an interest to do so and can satisfy the requirements of the full NED role. Where the trust currently has more than one NED Designate, the full NED posts should be subject to a competitive selection process.

A short profile of each selected candidate is included in Appendix 1.

All candidates have had a verbal offer of appointment, subject to final approval by the Council of Governors and the completion of relevant checks. An update on the checks (which include the Fit and Proper Person test) will be confirmed at the Council of Governors meeting. For each candidate there are either no foreseeable conflicts of interest, or no foreseeable conflicts of interest that could not be managed.

The Council of Governors has previously agreed remuneration for Non-Executive Director roles as £13,000 for full Non-Executive Director positions for a time commitment of 3-5 days per month, and £6,500 for the Non-Executive Director Designate positions for a time commitment of approximately 1 day per month. Appointments will be therefore made on this basis.

The Nominations and Appointments Committee discussed the final selection of candidates at

their meeting on 8 May. Those who had been involved in the interview panel confirmed that they had recommended all three candidates very highly, as had the focus groups. They agreed to recommend to the Council of Governors approval of the three candidates.

They also agreed with the proposal to make the Designate role a one-year term of office, with the opportunity to be considered for a full Non-Executive position as one arose. The Committee considered changing the title from NED Designate to NED Associate in line with the terminology used by other trusts. It was noted that this was possible though would necessitate a change to the Trust's Constitution.

As the proposed candidate for the Designate position was currently a Non-Executive Director at Weston Area Health NHS Trust, the committee discussed whether the potential merger of the two trusts constituted a conflict of interest in relation to this appointment. However, they were satisfied that as the Designate role was a non-voting position any conflicts could be appropriately managed and were outweighed by the benefits of the appointment in fostering good relations between the two trusts.

Next steps

Subject to Council approval, final offers of appointment will be issued. The non-executive induction programme, tailored to meet the needs of the particular individual, will be delivered over a 3 month period from appointment.

Recommendations

Members are asked to **approve** the recommendations of the Nominations and Appointments Committee as follows:

- Appoint Bernard Galton and Jayne Mee as Non-Executive Directors for a three-year term of office from **1 June 2019-31 May 2022**.
- Appoint Sue Balcombe as a Non-Executive Director Designate for a one-year term of office (**1 June 2019 -31 May 2020**), with the opportunity to be considered for the role of Non-Executive Director when a vacancy arises during that time.

Intended Audience

(please tick any which are relevant to this paper)

Board/Committee Members	<input type="checkbox"/>	Regulators	<input type="checkbox"/>	Governors	<input checked="" type="checkbox"/>	Staff	<input type="checkbox"/>	Public	<input type="checkbox"/>
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Appendix 1- Candidate Profiles

Jayne Mee

Jayne started her career working for a number of private companies, including Boots, and Sears Sports and Leisure, primarily in HR and training roles. She began her own consultancy helping organisations build their HR strategy and providing executive coaching., and also worked as the Director of Organisation Development for the Spirit Group as Director of Organisation, and later their HR Director specifically to lead major transformational change to prepare the organisation for sale to Punch Taverns. She later worked for Barratt Developments in 2006 with responsibility for transforming the HR and customer experience functions across 26 multi-site divisions and 5,000 employees.

She has taken on a variety of volunteering activities including work for The Prince's Trust and a major fundraising initiative, Hearing Dogs for Deaf People, KidsOut and the Bristol Young Student Mentoring Project.

In 2013 she became the Director of People and Organisational Development for Imperial College Healthcare NHS Trust. Jayne is currently working as an executive coach across a wide range of sectors including housing, healthcare, property and construction. She has also taken on a number of non-executive roles including HR Counsel to the Prezzo chain, Non-Executive Director for the London Ambulance Service NHS Trust and Trustee for St John Ambulance and Member of the Order of St John.

Bernard Galton

Bernard spent the early part of his career working for the Ministry of Defence in general management roles, before moving into HR and organisational development. In 1998 he was appointed Executive HR Director of the Government-owned Defence Aviation Repair Agency, based in Wales. From here Bernard moved to become the first HR Director for the newly formed Welsh Assembly, working directly to the Permanent Secretary. In 2009 Bernard was appointed Director General of Human Resources and Corporate Services, leading the cross-Government transformation agenda, which included shared service models, new external ICT contracting, new build procurement and delivery and estate rationalisation.

Bernard then moved into health and social care policy and delivery, taking the lead on the strategic formation and delivery of NHS Wales, working on its workforce planning strategy and leading the delivery of a new capability framework across Local Health Boards and Trusts to support organisational development across NHS Wales.

In 2014 Bernard moved away from his executive role and began his non-executive career, taking initially the role of Non- Executive Director for the (now merged) Royal National Hospital for Rheumatic Diseases in Bath. He also joined business process outsourcing business Capita in Wales in 2015 as a Non-Executive Director working on a property and transport infrastructure joint venture with a number of local authorities. In 2017 Bernard was appointed a Non-Executive Director for Oxford Health NHS Foundation Trust, a mental health and community services provider, where he chairs the Audit Committee and Charity Committee.

Sue Balcombe

Sue is a registered nurse, who trained at the Royal Devon and Exeter hospital. She has over 35 years' experience of the NHS and healthcare working in both acute and community settings as well as in a mental health trust. She has significant urgent and emergency care clinical experience as well as being a qualified health visitor. In her early nursing career Sue worked in A&E in Taunton progressing to become ED Sister.

She then moved into senior community nursing roles, taking on more senior leadership roles in Taunton Deane PCT including Director of Nursing and Patient Services in 2005. In 2008 Sue was promoted to the role of Chief Nurse and Deputy Chief Operating Officer for Somerset Community Health where she oversaw the delivery of all adult services and led the professional leadership of all clinical staff. Following their acquisition, Sue was made Director of Nursing and Patient Safety for the new Somerset Partnership NHS Foundation Trust and in 2013 was promoted to the roles of Interim Chief Operating Officer, Executive Nurse and Deputy Chief Executive while the organisation was going through complex transition. After a year Sue became substantive Director of Nursing, Allied Health Professionals and Patient Safety.

Sue took early retirement in late 2017, wanting to focus on her non-executive career and she was keen to use her skills and experience to make a positive contribution across a wider geography. Sue was duly appointed associate Non-Executive Director at Weston Area Health Trust in June 2018 and was made a full Non-Executive Director in December 2018. During this time Sue has very much enjoyed supporting the Board on the planned acquisition by UH Bristol.

**Cover report to the Council of Governors meeting to be held on 24 May 2019 at
13:30 in the Conference Room, Trust Headquarters, Marlborough Street,
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		Agenda Item	2.2
Meeting Title	Council of Governors	Meeting Date	24/05/2019
Report Title	Non-Executive Director Expenses Policy		
Author	Eric Sanders, Trust Secretary		
Executive Lead	Eric Sanders, Trust Secretary		
Freedom of Information Status		Open	

Governor Responsibility (please tick any which are impacted on / relevant to this paper)	
Holding the Non-executive Directors to account	<input type="checkbox"/>
Non-executive Director appointments (appraisal review)	<input checked="" type="checkbox"/>
Constitutional/forward plans	<input type="checkbox"/>
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Appointment of External Auditor	<input type="checkbox"/>
Appointment of the Chief Executive	<input type="checkbox"/>

Action/Decision Required (please tick any which are relevant to this paper)			
For Decision	<input type="checkbox"/>	For Assurance	<input type="checkbox"/>
		For Approval	<input checked="" type="checkbox"/>
		For Information	<input type="checkbox"/>

Executive Summary
<p><u>Purpose:</u> The purpose of this report is to seek approval from governors for the Trust's approach to the payment of expenses to Non-Executive Directors following tax advice changes.</p> <p>According to the National Health Service Act 2006, 'it is for the Council of Governors at a general meeting to decide the remuneration and allowances, and the other terms and conditions of office, of the non-executive directors.'</p> <p>The Council of Governors is therefore asked to consider the options outlined in the report for approval.</p>

Recommendations	
Governors are asked to:	
<ul style="list-style-type: none"> Approve the approach to the payment of expenses to Non-Executive Directors. 	
Intended Audience (please tick any which are relevant to this paper)	
Board/Committee Members	<input type="checkbox"/>
Regulators	<input type="checkbox"/>
Governors	<input checked="" type="checkbox"/>
Staff	<input type="checkbox"/>
Public	<input type="checkbox"/>

Non-Executive Director Expenses – Change in Policy

Purpose

To seek approval from Governors in relation to the policy for the payment of expenses to Non-Executive Directors.

Background

HMRC consulted on proposed changes to the Special Arrangements for Part Time Office Holders home to office travel and subsistence. Following the consultation HMRC have confirmed that the Special Arrangements for Part Time Office Holders ceased on 6 April 2019.

In essence this arrangement allowed the Trust to gross up expense payments to Non-Executives to account for tax and National Insurance that would have been due. This arrangement recognised the very specific role that Non-Executives undertake and that they may live some distance from the Trust and thus may not wish to take on these types of roles if not recompensed for travel to the Trust. According to HMRC guidance, the Trust could continue to gross up expenses payments if it wished, and it is recommended that we do so.

Options from 6 April 2019

There are two options open to the Trust:

Option 1 – process all expense payments through payroll and deduct tax and National Insurance.

Option 2 – continue to gross up the expense payments.

Option 1 would have a direct financial implication on the Non-Executives as their expenses would be paid net of tax and National Insurance, but would have a small financial benefit to the Trust who would not now be paying the tax and National Insurance. The risk is that Non-Executives may decide not to continue in the role, or seek to make fewer visits to the Trust to undertake their duties.

Option 2 has no impact on the Non-Executives or the Trust.

Recommendation

The Governors are asked to consider the options and approve Option 2.