

THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST

COUNCIL OF GOVERNORS

APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Report Purpose:
Decision / Approval
Discussion
Information

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Brief description of the item and any significant issues:

This paper describes progress with the appointment process for one existing Non-Executive Director and for the approved eighth post.

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APPOINTMENT OF NON-EXECUTIVE DIRECTORS

1. INTRODUCTION

Governors will recall that in January 2007 the Council of Governors approved an amendment to the Constitution so that the maximum number of Executive Director appointments to the Board of Directors could be six rather than five. It was subsequently proposed in July 2008 that Governors consider a similar amendment in order to increase the number of Non-Executive Directors from seven (including the Chairman) to eight. This was approved and Monitor has endorsed the consequent amendment to the Trust's Constitution (Section 8.2(a)(ii)).

In addition to the appointment process for the eighth Non-Executive, the term of office of a current Non-Executive is due to expire on 31st October 2008 and hence that post will also need to be filled. Consequently the Nominations Committee (Terms of Reference attached at Annex A) met on 28th August 2008 to consider how to proceed with these appointments.

The first order of business of the Committee was to appoint its own Chair, as Mr MacDonald who previously chaired it did not stand for re-election in May 2008. Professor Potts proposed that Mrs Donnelly be appointed and Mrs Abrahams seconded this. Mr Harvey was in agreement and hence Mrs Donnelly was appointed as Chair of the Nominations Committee.

2. APPOINTMENT PROCESS

Notwithstanding the Non-Executive Director appointments made earlier in the year, there is a clear view from both the Board and from Monitor that the Trust would benefit from having a further Non-Executive Director with a commercial financial background, as an adjunct to the other professional skills and public sector experience already in place.

Consequently the Nominations Committee has directed that Northern Recruitment Group (NRG) be charged with producing a "long list" of potential candidates who could bring the relevant expertise and experience to bear for at least one of the two posts. The NHS Appointments Commission is also to be approached to determine whether any suitable candidates may be available from its database. There is not a statutory requirement for the posts to be advertised and the Committee will consider whether this is necessary in the light of the outcome of the initial trawl by NRG.

3. NEXT STEPS

NRG have been requested to produce the initial “long list” by 26th September. The Nominations Committee will then meet to review the list and consider whether to interview any of the candidates and also whether any advertisement is needed if the field is not adequate.

Upon completion of interviews, the shortlist of candidates will be presented to the Council of Governors for consideration and endorsement.

4. RECOMMENDATION

To i) note the appointment of Mrs Donnelly as Chair of the Nominations Committee ii) note progress to date and iii) receive an update at the next meeting.

Steven Reed
Trust Secretary
29th August 2008

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COUNCIL OF GOVERNORS

NOMINATIONS COMMITTEE –

CONSTITUTION AND TERMS OF REFERENCE

Revised March 2008

1. Membership

Four Public Governors (one to be appointed from amongst their number as Chair of the Committee)

University Observer (non-voting)

Chief Executive

Finance Director

One other Director

The Trust Chairman may also attend in a non-voting capacity when the Non-Executive Director appointments or conditions are under consideration.

2. Conditions

- i) Governors shall be in the majority at any meeting of the Committee.
- ii) Governors shall serve a term of up to three years (dependent upon the remaining term of their Governorship), after which the Council of Governors shall seek formal applications from Public Governors for replacement members of the Committee.
- iii) Governors who have already served on the Committee may stand again.
- iv) No Governor may serve more than three consecutive terms.
- v) Should there be more applications than vacancies on the Committee, the Trust Secretary shall conduct a secret ballot of all Public Governors to determine which applicants shall be appointed to the Committee.

3. Purpose of the Committee

In compliance with the requirements of the Foundation Trust Constitution, to ensure that appropriate mechanisms are put in place to specify, search for, select for interview, interview and recommend formally to the Council of Governors

candidates for the posts of Trust Chairman and Non-Executive Directors, as the need arises.

4. Terms of Reference

- i) To draw up or review as necessary the job description and person specification for the following posts, as they fall vacant:
 - Non- Executive Directors, including where required a person with a Finance background, who shall then also Chair the Audit Committee of the Board
 - the Chairman
- ii) To develop a search strategy to identify potential candidates who are strong matches to the applicable person specification
- iii) To develop an appointments structure which a) abides by the principles set out in Monitor's Code of Governance and b) will allow a shortlist of candidates for each post to be recommended to the Council of Governors for approval.