

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: COUNCIL OF GOVERNORS – 10 MARCH 2014****REPORT FROM: NOMINATIONS AND REMUNERATION
COMMITTEE CHAIR****PURPOSE: Information and action****SUMMARY OF COMMITTEE ACTIVITY:**

The Nominations and Remuneration Committee met on the 18 February 2014 to undertake an annual review of the remuneration of the chairman and non executive directors. The HR Director was in attendance at this meeting in an advisory capacity.

The Committee reviewed benchmarking data which the HR Director had obtained from the Foundation Trust Network. Following consideration of this data, the Committee can confirm that the current remuneration levels of the Chairman and Non Executive Directors are comparative against the Trust's peers. Current remuneration levels for the Chairman and Non Executive Directors are:

- Chair - £50k
- SID - £15k) This is currently the same person
- FIC Chair - £15k)
- IAGC Chair - £15k
- Charitable Funds Committee Chair - £12.5k
- Remuneration Committee and Nominations Committee Chair - £12.5k
- Non Chairs are £10k

In addition, the HR Director brought to the attention of the Committee correspondence received from the Trust Development Authority with regard to Chair and Non-Executive Director expenses. The Trust Development Authority advised that Ministers have agreed that mileage allowances for Chairs and Non-Executive Directors of Non-Foundation Trusts will increase to mirror the rates received by agenda for change staff, this being 0.67p per mile for the first 3,500 miles decreasing to 24p per mile for subsequent claims. Mileage for the EKHUFT Chair and Non Executive Directors is currently paid at 0.53p per mile.

The Committee considered this correspondence and agreed a recommendation would be put to the Council of Governors to increase the mileage rates in line with agenda for change rates.

The Committee also reviewed its terms of reference to bring them in line with Monitor's revised Code of Governance. The provisions in the revised Code of Governance include:

"The nominations committee(s) should regularly review the structure, size and composition of the board of directors and make recommendations for changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge and experience on the board of directors and, in the light of this evaluation, prepare a description of the role and capabilities required for appointment of both executive and non-executive directors, including the chairperson."

The Terms of Reference have been revised to reflect these requirements in relation to the NED element of the Board for which it is responsible.

SUMMARY OF COMMITTEE'S FORWARD PLANS:

A meeting will be arranged in May/June to undertake the first annual review of the balance of skills, knowledge and experience of the Non Executive Director element of the Board of Directors in line with Monitor's Code of Governance.

In addition, the Committee will review the position held by Jonathan Spencer, Non Executive Director, whose term is due to end 31 October 2014.

COUNCIL OF GOVERNORS ACTION REQUIRED:

The Council of Governors is asked to discuss and endorse (or not) the following recommendations:

- Following consideration of benchmarking data, the Nominations and Remuneration Committee can confirm that the current levels of Remuneration for the Chair and Non Executive Directors are in line with the Trust's peers. A recommendation is therefore put to the Council that no increase in remuneration be awarded for 2014/15.
- Following consideration of the decision by Ministers to increase mileage allowances for Chairs and Non-Executive Directors of non-Foundation Trusts in line with agenda for change, the Nominations and Remuneration Committee recommend the same increase be applied in EKHUFT. (An increase to 0.67p per mile for the first 3,500 miles decreasing to 24p per mile for subsequent claims.)
- The Council of Governors is asked to endorse the revised terms of reference which have been amended in line with Monitor's revised Code of Governance.