

**POLICY FOR COMPOSITION OF NON-EXECUTIVE DIRECTORS
ON THE BOARD OF DIRECTORS**

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POLICY FOR THE COMPOSITION OF NON-EXECUTIVE DIRECTORS ON THE BOARD OF DIRECTORS

PURPOSE

1. This policy, which is drawn up by the Board of Directors, and approved by the Council of Governors (CoG), provides guidance on the background and abilities required from a non-executive director (NED), including the Chair of the Trust/CoG. It does not seek to be prescriptive but lays down the broad parameters to be considered when the Nominations Committee is considering applicants. All references to a NED in this document include the Chair.

THE BOARD

2. The Board of Directors is responsible for all aspects of the performance of the NHS foundation trust. All the powers of the NHS foundation trust are exercisable by the Board of Directors on its behalf. The Board of Directors consists of both executive and non-executive members. There will always be a majority of NEDs, with the Chair of the Trust/CoG, also a NED, having the deciding vote when required.

BACKGROUND

3. Boards have collective responsibility for:
 - a. Adding value to the organisation;
 - b. Providing leadership within a framework of prudent and effective controls;
 - c. Setting strategic direction, ensuring management capability and capacity and monitoring and managing performance
 - d. Safeguarding values and ensuring that the organisation's obligations to its key stakeholders are met.
4. The particular role of NEDs include:
 - a. Constructively challenging and contributing to the development of strategy and policy.
 - b. Scrutinising the performance of management in meeting goals and monitoring the reporting of performance and quality;
 - c. Satisfying themselves that financial information is accurate and that robust internal control systems are in place and defensible;
 - d. Ensuring the Board is acting in the best interests of the public and other stakeholders and that it is fully accountable for the use of public funds.
5. In undertaking these duties it is apparent that NEDs should be of the highest calibre with the relevant skills, knowledge and aptitude to add value to the work of the Board. NEDs should necessarily bring a variety of backgrounds and experience to the Board and be recruited on the basis of merit. Recruitment of NEDs should seek to maximise the pool from which board members can be recruited to provide the widest possible choice of candidates. It is important that NEDs bring with them a wide variety of backgrounds and skills but which can be applied to and be relevant to the Trust's activities. A NED should normally have held a board position in the past and will usually have enjoyed or currently enjoy a successful career in one or more areas of industry, commerce, a profession or public life. (These are discussed below). It is important not to be too specific in laying down the preferred background, as each individual will bring particular abilities to the Board. The particular needs of a foundation trust indicate that experience in certain fields will be essential.

EXPERIENCE REQUIRED

6. Ideally, the Board of Directors of the Royal Devon and Exeter NHS Foundation Trust should include people who collectively have experience of:
- a. Legal experience/competencies: A qualified lawyer in practice, or a professor of law in an academic department, preferably with experience of corporate law; or, a person with commercial experience, where contract law has been a significant part of their role.
 - b. Commerce: Board level experience in perhaps marketing, construction, or strategic planning or business development, to allow the Trust to take full advantage of its autonomy in the commercial field including in relation to mergers and acquisitions.
 - c. Finance or Accountancy: Someone with finance director experience in a large company to provide best advice on funding issues, or an experienced accountant, used to handling large business portfolios.
 - d. Strategic Human Resources Policy and Diversity: Someone with senior experience of strategic human resource planning and policy development, including diversity and social inclusion, in a large and complex environment.
 - e. Public Sector/Voluntary Organisation/Mutual Sector: Someone with experience of a large public sector, voluntary, co-operative, mutual or large charitable organisation. This could include people who have held senior positions in the Civil Service, the NHS (including clinicians), Police or Armed Forces, as well as Local Government, a national charity or voluntary organisation.
 - f. Stakeholder engagement/relationship management/marketing: Someone who has experience of developing, sustaining and adding value from working with organisations operating in complex environments and who has worked with and engaged with a wide variety of individual and institutional stakeholders.
 - g. Quality management: Someone who has wide ranging experience of developing quality and supply chain management, productivity and efficiency processes (possibly in the manufacturing sector).
 - h. Social care: Someone who has senior level, in-depth knowledge and experience of social care provision (private or public), integration of services and the interrelationship with health.
 - i. Clinical: Someone with clinical experience (doctor, nurse, Allied Health Professional) who has worked within the NHS or private sector combined with strong organisational skills.
 - j. Organisational transformation: Someone with senior-level knowledge, experience and skill of culture change and organisational transformation.
 - k. Education, training and research – someone with senior-level knowledge, experience and skill in education/training and research

- I. Digital and IT – someone with senior-level experience in digital and technology and data services

ATTRIBUTES

7. It is important to take account of the Public Appointments Commissioner's policy for selection to public appointments which emphasises the need for applicants to uphold standards in public life and display:

Selflessness, integrity, objectivity, accountability, openness, honesty and leadership
(These are generally known as the Nolan principles)

In addition a NED will be expected to show:

- Commitment – to devote the necessary time to prepare and to participate actively in the activities of the Trust.
- Courage – to ask questions that no one else has asked or query why a certain approach is being recommended.
- Common sense – to be able to assess the impact of decisions on all sections of the community and bring an independent view to the debate.
- Communication skills – with the ability to listen and to express their views; to negotiate and influence and to deal with all groups, including specialists and experts.
- Clarity – to assess a situation quickly accurately and even-handedly; to think strategically and to see the wider picture.
- Self-awareness and self-reflection
- Values and behaviours driven by the Trust's Values and Behaviours

REMUNERATION

8. Chair of the Trust/CoG and NED remuneration will be recommended by the NED Remuneration Committee, and approved by the Council of Governors.

TERM OF OFFICE

9. Terms of office will be in accordance with the guidance contained in Monitor's Code of Governance.

APPRAISAL

10. The Chair of the Trust/CoG will conduct annual appraisals of each NED, and will appraise the Nominations Committee of the suitability of a NED for re-appointment as required. The Senior Independent Director will conduct the annual appraisal of the Chair and will appraise the Nominations Committee of the suitability of the Chair for re-appointment as required.

REVIEW AND AMENDMENT

11. This policy will be reviewed at intervals not exceeding three years by the Board of Directors and subsequently approved by the Council of Governors. Specifically, it will be reviewed before each NED recruitment campaign. Suggested amendments are to be discussed in the first instance with the CEO and Chair and then passed in writing to the Foundation Trust Secretary for recording as a final document.