

Council of Governors meeting 16th January 2018

Updated Chair and Non-Executive Director (NED) appraisal procedure

Situation

The Trust has a procedure in place for the appraisals for Non-Executive Directors (including the Chair) which had not been updated since 2014 when it was approved at a Nominations and Remunerations Committee meeting in April 2014. The purpose of this paper is to ask the Council of Governors to approve the updated version. The original procedure was agreed by the Council of Governors in 2009.

Background

The Nominations and Remuneration Committee discussed at their 19th September 2017 meeting, new proposed tools which could be used to support the Chair and NED appraisals. The rationale behind using these tools is to provide more structured feedback to the Chair and NEDs and enable easier identification of development areas. It was not intended to replace the current process but to be an addition to the process.

The Chair appraisal tool (Appendix 3) was agreed with no changes by the Committee at its 19th September 2017 meeting. The NED tool (appendix 4) was brought back to the Nominations and Remuneration Committee's 3rd October 2017 meeting with changes made to the wording within the tool. Some further changes were suggested at the 3rd October 2017 meeting. It was agreed an updated Chair and NED appraisal procedure should be taken to the 16th of January 2018 Council of Governors meeting.

Assessment

The Nominations and Remuneration Committee reviewed a final draft version of the updated Chair and NED appraisal procedure at its 30th November 2017 meeting. The following key changes were noted:

- The use of gender neutral wording throughout the document The appendices had been updated to include the same appraisal documentation used by all Trust staff (Appendix 1).
- The new feedback tools had been added (Appendix 3 and Appendix 4).

The Committee also discussed the following points:

- They considered the current scoring system which had been adopted as custom and practice and agreed that it should be simplified to retain 'half' scores and remove the 'quarter' scores.

- The Committee discussed whether the Council of Governors should review the appraisal documentation of the Chair and NEDs in full or receive a summary appraisal for each person alongside the report presented to them. Noting its own role in scrutinising the full appraisal document and on the basis that all appraisees were entitled to a degree of privacy regarding the content of appraisals, the Committee agreed that Council should receive a summary appraisal sufficient to support the recommended score. The Committee agreed the summary appraisal should include the elements within the appraisal documentation which are listed at paragraph 4.2.5.

The Nominations and Remuneration Committee agreed the draft updated appraisal procedure and supported its adoption following approval at Council in January 2018.

This paper being presented to the Council has been previously circulated to all Governors to provide the opportunity to raise any concerns or queries. No feedback from Governors has been received.

Recommendations

The Council of Governors is asked to approve the updated NED and Chair appraisal procedure.

Policy and Procedure for Appraisal and Evaluation of the Chairperson and Non Executive Directors (NEDs)

1. Introduction

The NHS Foundation Trust Code of Governance states that the Council of Governors “should take the lead on agreeing a process for the evaluation of the chairperson and the non-executive directors, with the chairperson and the non-executives. The outcomes of the evaluation of the NEDs should be agreed with them by the chairperson. The outcomes of the evaluation of the chairperson should be agreed by him or her with the Senior Independent Director. The outcomes of the evaluation of the NEDs and the chairperson should be reported to the Governors”.

The Code also states that “governors should bear in mind that it may be desirable to use the Senior Independent Director to lead the evaluation of the chairperson” and that “the Senior Independent Director should lead the performance evaluation of the chairperson, within a framework agreed by the Council of Governors and taking into account the views of directors and governors”.

2. Policy Statement

It is the policy of Northamptonshire Healthcare NHS Foundation Trust (NHFT) that it will ensure annual evaluation through appraisal of the Board’s constituent members.

The Trust’s Annual Report will state how the required evaluations of individual Board members have been conducted.

3. Appraisal Scheme

The Trust’s Chairperson will be responsible for the annual appraisal of all NEDs.

The Chairperson will be appraised by the SID and two nominees from the Governor Nominations & Remuneration Committee (known as the appraisal panel from this point forward). The SID must represent the views of the directors in the appraisal process.

All appraisals will consist of three essential elements:

1. A self assessment form completed by the individual [\(this is the appraisal form all NHFT staff also currently use- see Appendix 1\)](#)
2. Overview of the individual performance by the appraisers, assessed against objectives and the relevant competency framework.
3. Agreed objectives and personal development plan for the coming year

4. Appraisal Framework

4.1 Chairperson

4.1.1 Self Assessment

The Chairperson will undertake a written self-assessment of his/her performance based on the competency framework (appendix 2) and delivery of agreed annual personal objectives (appendix 1).

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4.1.2 Evidence

The Chairperson will refer to a range of evidence to support his/her self-assessment as necessary. Reference should be made to the Competency Framework at appendix 2.

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Board members (Executives and Non-Executives) will also be asked to complete a short 'Chair appraisal tool' (appendix 3) which the Appraisal Panel will also consider. The 'Chair appraisal tool' will be used as evidence by the SID to represent the views of the directors.

Led by a member of the Appraisal Panel the wider Council of Governors will also be asked for their views and asked to provide feedback on progress against the set objectives. This will be considered by the Appraisal Panel. The purpose of this is to provide feedback against competencies, Trust leadership behaviours and objectives.

4.1.3 Validation

The appraisal panel will validate the Chairperson's self assessment against the feedback and evidence collected.

4.1.4 Overall Assessment Rating

A rating will be agreed between the Chairperson and the appraisal panel at the appraisal meeting to describe the overall contribution of the individual as set out below:

1. Outstanding performance; making critically important contribution to the work of the Board
2. A fully satisfactory performance; demonstrating the range of skills and qualities required
3. A generally satisfactory performance but with some room for improvement
4. A performance giving cause for concern across a significant number of areas requiring prompt improvement

The 2014 Chair appraisal panel introduced a variation on the above scoring to include 3 points in between scores e.g. 1.25; 1.50; 1.75. if it was felt this was necessary and evidence supported this score. This has been supported and adopted for subsequent Chair appraisals by the Nominations and Remuneration Committee. Following the Nominations and Remuneration Committee held on 30th November 2017 it was agreed to remove the 'quarter' scores and only retain the 'half' scores. (E.g. 1.50, 2.50 etc) for future appraisal processes.

4.1.5 Objective-Setting Process

The objective-setting process will be led by the appraisal panel.

4.1.6 Approval

The self-assessment and validation of the Chairperson's performance will be approved annually by the Nominations & Remuneration Committee of the Council of Governors and a summary of the appraisal presented to the Council of Governors for ratification by the Vice Chair or another nominated member of the Nominations & Remuneration Committee (but not the Chairperson of NHFT), detailing the process followed and outcome.

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The objectives will be discussed with and agreed by the Nominations & Remuneration Committee. A member of the Nominations & Remuneration Committee will present a paper containing the agreed objectives to the full Council of Governors for approval.

The Chairperson will not be present at the Nominations & Remuneration Committee meeting for the relevant item where his/ her appraisal is being discussed and approved.

4.2 Non Executive Directors

4.2.1 Self Assessment

Individual NEDs will prepare a written self-assessment of their performance and contribution (see Appendix 1), which will be discussed with the Chairperson.

Performance will be assessed against the competency framework (appendix 2), [leadership behaviours](#) and delivery of agreed annual personal objectives agreed with the Chairperson.

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4.2.2 Evidence

The NED will refer to a range of evidence to support his/her self-assessment as necessary. Reference should be made to the Competency Framework at appendix 2.

[Board members \(Executives and Non-Executives\) and Governors will also be asked to complete a short 'Non-Executive appraisal tool' \(appendix 4\) which the Chairperson will consider.](#)

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4.2.3 Chairperson Assessment

The Chairperson will validate each individual's self-assessment, [using feedback and evidence obtained](#) from other Board Directors, the Council of Governors and [other stakeholders \(as stated at 4.2.2\) as appropriate](#) and will add to this a personal commentary of his/her own assessment of performance.

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4.2.4 Overall Assessment Rating

A rating will be agreed between Non Executive Director and the Chairperson to describe the overall contribution of the individual as set out below:

1. Outstanding performance; making critically important contribution to the work of the Board
2. A fully satisfactory performance; demonstrating the range of skills and qualities required
3. A generally satisfactory performance but with some room for improvement
4. A performance giving cause for concern across a significant number of areas requiring prompt improvement

As mentioned above, the 2014 Chair appraisal panel introduced a variation on the above scoring to include 3 points in between scores e.g. 1.25; 1.50; 1.75. if it was felt this was necessary and evidence supported this score. This has been supported and adopted for subsequent Non-Executive Directors appraisals as well by the Nominations and Remuneration Committee. Following the Nominations and Remuneration Committee held on 30th September 2017 it was agreed to remove the 'quarter' scores and only retain the 'half' scores. (E.g. 1.50, 2.50 etc) for future appraisal processes.

4.2.5 Approval

The Chairperson will present the full document of each NED's appraisal outcome to the Nominations & Remuneration Committee of the Council of Governors for approval. A report (including a summary appraisal) will then be presented to the full membership of the Council of Governors by the Chair of the Nominations & Remuneration Committee, detailing the process followed and outcome.

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The summary appraisal included within the report to Council of Governors will include the following sections of the Trust's standard appraisal paperwork:

- Appraiser's notes on the review performance/ key achievements section
- Appraiser's notes on the review of last year's objectives section
- Appraiser's notes on areas for development
- 'Set objectives' section detailing new objectives
- 'Any other comments' by the Appraiser or Appraisee

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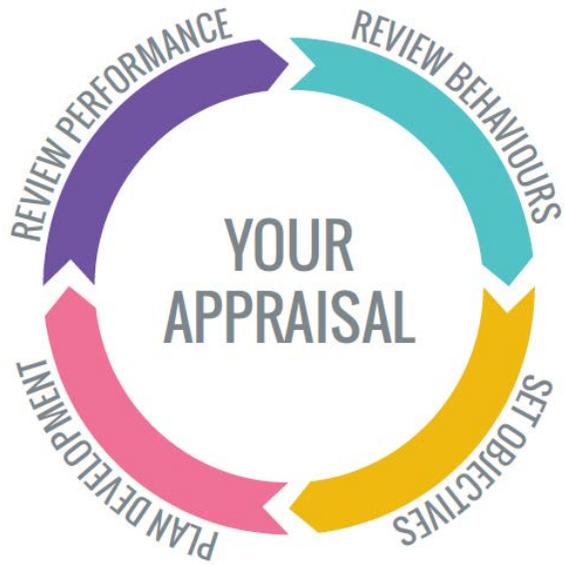
Other elements may be included where appropriate as evidence to support the overall assessment rating.

5. Timescales

A review of the performance of the Chairperson and each NED will be undertaken on at least an annual basis and presented to the Nominations & Remuneration Committee in a timely manner to enable the ratification by the Council of Governors prior to the publication of the Trust's Annual Report.

6. Review

This framework will be subject to periodic review by the Council of Governors, to ensure its effectiveness and in light of the Independent Regulator's publication of the Code of Governance for NHS Foundation Trusts and other relevant guidance.



Appraisal details			
Name of Appraisee		Job Title	
Department		Name of Appraiser	
Date of Appraisal		Period Appraisal	

covers

Review Performance

Achievements / Strengths – This is about how you have made a positive difference. What has been achieved over the last 12 months? Any key strengths? Major contributions to the team? Have last year's objectives been achieved?

Key Achievements

Appraisee:

Appraiser:

Review of last year's objectives

Appraisee:

Appraiser:

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Barriers/ Challenge / Areas for Development - What has stopped the appraisee achieving (e.g. knowledge bases, organisational, departmental objectives changing and resources?) This may include both personal and professional issues. Are there any areas of further development?

Barriers to achievements / things that have been challenging

Appraisee:

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Appraiser:

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Areas for development

Appraisee:

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Appraiser:

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Review Leadership Behaviours



Consider how the Trust values and leadership behaviours have been demonstrated over the last 12 months. What's gone well? What are the strengths? What could be improved? - **Refer to Our Leadership Behaviours Guide**

 Working Together	Expected √	Desirable √	Exceptional √
Appraisee:			
Appraiser:			
 Taking Responsibility	Expected √	Desirable √	Exceptional √
Appraisee:			
Appraiser:			

	Being Authentic	Expected √	Desirable √	Exceptional √
Appraisee:				
Appraiser:				
	Embracing Change	Expected √	Desirable √	Exceptional √
Appraisee:				
Appraiser:				

	Leadership Needs Improvement	Consistent Leadership	Highly Effective Leadership	Outstanding Leadership
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Our leadership behaviours:

Leadership Needs Improvement	Consistent Leadership	Highly Effective Leadership	Outstanding Leadership
Limited evidence of leadership behaviours	Behaviours are consistently demonstrated, positive, in the majority of circumstances	Behaviours are consistently positive in all situations	Behaviours are exemplary in all situations
Behaviours are mostly positive, but not always consistent	Behaviours have a positive impact on others	Behaviours have a consistently positive impact on others	Behaviours have a consistently positive impact on others across the Trust - seen as a role model
Behaviours generally have a positive impact on others	Evidence of good awareness of the impact of their own behaviour, and	Evidence of a high level of awareness of the impact of their	Evidence of a high level of awareness of the impact of their own behaviour, seeks challenging learning

Some evidence of awareness of the impact of their own behaviours, and demonstrates willingness to develop this	actively develops themselves	own behaviour, actively develops themselves, and also seeks to develop others	opportunities for themselves, and consistently encourages and seeks to develop others
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Set Objectives

Discuss and identify work related objectives for the next 12 months. These should be set using SMART principles. The individual objectives should link to the discussions in the appraisal review, team and Trust objectives.

No.	Objective	By When? (date)	What needs to be put in place to achieve this?	How will you measure that this has been achieved?
1				
2				
3				
4				
5				
6				

Plan Development

Development Needs

Consider the development and training needs for the next 12 months. What support is needed to enable growth and achievement in the next year? What development needs have been identified from this review of performance and behaviours? What development is needed to support achievement of the objectives? Remember to consider all kinds of development e.g. project work, shadowing, reading, writing articles, e-learning etc.

Development need and how this will be addressed?	By when? (date)	How will this benefit the service?

Career aspirations

What are the appraisee's career aspirations over the next 12 months, longer term? Are they realistic in light of the known potential/skills. What are the opportunities within the team/wider service for promotion, role enrichment/sideways moves etc. within next 12 months/longer term? Is there a fit between aspirations and available opportunities within immediate team/wider service?

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Health and Wellbeing

Explore with the appraisee their current health and wellbeing and whether they are aware of the interventions and support available to them across the Trust to support them.

Revalidation, Professional Body registration and HCPC requirements

Check with the appraisee that they are making appropriate progress in terms of meeting the requirements for revalidation/their professional bodies registration requirements. Summarise progress below. Refer the appraisee to revalidation information and guidance.

Employee Safeguarding statement – self declaration

You are reminded that as an employee of the Trust you have a continued responsibility to inform us immediately if you are charged with any offence, criminal conviction, reprimand, or warning, or other relevant proceedings in the UK or other country while you work with the Trust.

Are there any relevant matters that you have not already made the Trust's HR Department aware of? Please tick:

Yes

No

If yes, please contact an HR Business Partner via HRAdmin@nhft.nhs.uk to discuss.

I confirm that the information I have provided in this declaration section is correct and complete. I understand and accept that if I knowingly withhold information or provide false or misleading information this may result in disciplinary action being taken against me which could lead to my dismissal.

Employee signature

Date

Additional Checks	Yes / No	If no, actions to take
Is the employee's mandatory training up to date?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Is the employee's role specific training up to date?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>Managers only</i> - Are all appraisals completed for staff in your area?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>Clinical staff only</i> – have they read the control of medicines policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	

Any other comments?

Appraiser

Appraisee		
Signature of Appraisee	Signature of Appraiser	Date

Appraisal review
<i>What progress has been made since the initial appraisal meeting: (Note changes to objectives)</i>
Date of review meeting:

Signature of Appraiser	Signature of Appraiser

Appraisal review

What progress has been made since the initial appraisal meeting: (Note changes to objectives)

Date of review meeting:

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Signature of Appraiser

Signature of Appraisee

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Competency Framework

Strategic Direction

Contributes creatively and realistically to planning

Can balance needs and constraints

Debates cogently

Holding to Account

Accepts personal accountability

Challenges constructively and effectively

Contributes to effective governance

Influencing & Communication

Sets out costs and benefits of a particular course of action

Persuades with well-chosen arguments

Uses facts and figures to support argument

Uses subtle and informal tactics to persuade

Is receptive to the views of others

Team Working

Involves others in decision-making process

Respects other team members

Understands the Chair and Non-Executive role

Shares expertise and knowledge freely

Committed to working as a team member

Personal Motivation

Strong personal commitment to the NHS

Targets their interest

Acts confidently

Willing to accept a challenge

Enthusiastic to achieve outcomes

Patient and Community Focus

Demonstrate a high level of commitment to patients, carers and the community

Understands local health issues

Understands diversity of the community and its differing viewpoints

Promotes inclusion and community involvement

Intellectual Flexibility

Can digest and analyse information

Willing to modify own thinking

Thinks clearly, creatively and constructively

Sees the detail as well as the big picture

Chair - Board Appraisal and Feedback			
Question	Executive Average	NED Average	Overall Average
1. Chairing meetings of the Board			
1.1 Sets the Board's agenda in consultation with other Board members			
1.2 Ensures that the Board's agenda prioritises items on strategy, corporate risks and feedback from stakeholders			
1.3 Ensures that items on the Boards agenda that are simply for information/noting are kept to a minimum			
1.4 Manages the agenda within the time allocated			
1.5 Encourages open debate and contributions from all			
1.6 Advocates constructive challenge			
1.7 Handles conflict and sensitivities between Board members well			

1.8 Summarises Board discussions well, captures the main points that have been made and clarifies how the Board will progress the item under discussion			
2. Leadership Style			
2.1 Is visible within the Trust and is regarded as approachable by staff and patients			
2.2 Works well with the Chief Executive			
2.3 Promotes effective teamwork between Board members			
2.4 Does not become too involved in the running of the Trust			
2.5 Behaviour is consistent with the values of the Trust			
2.6 Is well respected by our local health and social care partners and commissioners			
2.7 Effectively and constructively evaluates the performance of individual Board members			
2.8 Works continuously to improve the performance of the Board of Directors			
3. Corporate understanding and strategic awareness			
3.1 Demonstrates a breadth of contribution			
3.2 Rises above the immediate problem or situation and sees the wider implications of what is being presented or discussed			

3.3 Makes connections and draws out relationships between different aspects of the Board's agenda			
3.4 Demonstrates well-rounded knowledge of the Trust			
3.5 Is able to articulate clearly the Trust's vision and strategy			
3.6 Is able to articulate the key risks to achieving the Trust's vision and strategy.			
3.7 Is able to articulate the services that are performing excellently and poorly			
3.8 Can describe who the Trust's key stakeholders are			
3.9 Is able to articulate the main opportunities and threats within our marketplace			
3.10 Helps the Board to operate at a strategic level			
4. Commitment			
4.1 Commits the time to understand the Trust and get to know the environment in which it operates			
4.2 Reads papers in advance of meetings			
4.3 Will ask questions in advance of meetings to clarify their understanding of an issue			
4.4 Attends all the meetings they are required to attend			
4.5 Fulfils their commitments, delivering on what they say they will deliver			

5. Holding to account			
5.1 Is able to stand back and seek assurance from management rather than get overly involved in operational details			
5.2 Challenges predominantly in relation to strategic matters and the management of corporate risks. Does not tend to challenge around areas which are largely immaterial to the performance of the Trust			
5.3 Challenges in such a way that progresses Board discussion and enables higher quality decisions to be made			
5.4 Routinely probes the facts, challenges assumptions and identifies the advantages and disadvantages of proposals			
5.5 Is persistent in their challenge and does not move on from an issue until they has taken the necessary steps, outside formal meetings when appropriate, to ensure that their questions or concerns have been addressed satisfactorily			
6. Personal Style			
6.1 Listens dispassionately, attentively and carefully to what is being said			
6.2 Speaks articulately and audibly			

6.3 Is concise, avoids jargon and tailors content to the audience's needs			
6.4 Is courteous to and supportive of other Board members			
6.5 Makes a strong, positive impression on first meeting and establishes rapport quickly			
6.6 Has authority and credibility			
6.7 Actively supports Board decisions that have been thoroughly debated, to others outside the Board, even though they may have disagreed with the final outcome			
6.8 Shows an understanding of the feelings and needs of others and a willingness to provide personal support when needed			
6.9 Is attentive to the needs and experiences of patients			
6.10 Shows conspicuous levels of energy, vitality and enthusiasm for what the Trust is trying to achieve			
6.11 Retains composure when under pressure or opposition and does not become defensive or aggressive			
6.12 Operates with the best interests of the Board and ultimately the Trust in mind			
6.13 Does not dominate meetings of the Board			
7. Independence and objectivity			

7.1 Ensures that decisions are taken objectively in the interests of the Trust			
7.2 Acts impartially			
7.3 Supports Board decisions that are based on reasonable assumptions and factual information			
7.4 Requests or seeks out relevant information about an issue from a variety of sources before making a decision			
8. Self-development			
8.1 Actively seeks out constructive feedback about their performance			
8.2 Acts on feedback from others and changes their behaviour as a result			
8.3 Sets high goals or standards of performance for themselves			
8.4 Is willing to admit mistakes/errors that they have made and their personal shortcomings			
9. Impact			
9.1 Has a significant, positive impact on the performance of the Board and ultimately the performance of the Trust			
9.2 Adds value to the work of the Board			
9.3 Has an impact on the development of positive relations with key Stakeholders			
9.4 Commits sufficient time to partnership working			

Summary

1 = Hardly ever/ Poor
2 = Occasionally/ Below

average

3 = Some of the time/ Average
4 = Most of the time/ Above

average

5 = All of the time/ Fully

satisfactory

Executive Average	NED Average	Overall Average
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NED APPRAISAL & FEEDBACK TOOL

Please score 1-5 as per the summary table below- Execs should fill out blue column, NEDs green column and governors yellow column. Final column is for any other comments.

	STATEMENT	Executive Average	NED average	Overall average	Governor Average	Comments
1.	They really add value to the Trust Board					
2.	Their contribution adds positively to the achievement of the Trust's Strategic objectives					

3.	They challenge effectively without being confrontational or overly contentious					
4.	They are always constructive in their comments and contribution					
5.	They display obvious concern for the quality of care the Trust is delivering					
6.	They have a focus on patient and carer experience					
7.	They show positive leadership qualities which are consistent with the Trust's leadership behaviours framework					
8.	They are clearly well prepared for Trust Board and Sub- Committee meetings					

9.	They do not get drawn into non-strategic/ non critical detail or minutiae					
10.	Their participation has a positive and motivating effect at the Trust Board					
11.	They engage with Governors, staff, and service users and carers in a positive way					
12.	They are visible within the Trust and devote time to understanding the Trust and its operations					
13.	Their attendance at Trust Board, Trust Board Committee and Governor meetings is good					

15.	They appear to enjoy good relationships with other members of the Board, Governors and senior management within the Trust					
16.	They have a sound grasp of industry and market developments that affect the Trust					

Summary	Executive Average	NED Average	Overall Average	Governor Average
1 = Hardly ever/ Poor				
2 = Occasionally/ Below average				
3 = Some of the time/ Average				
4 = Most of the time/ Above average				
5 = All of the time/ Fully satisfactory				

