

Board Meeting in Public Tuesday, 26 March 2024

Title of Report	People Committee Effectiveness Review Report	Agenda No.	5.4.4
Nature of Report (tick one)	<input checked="" type="checkbox"/> Official	<input type="checkbox"/> Official Sensitive	
Author(s)	Brenda Thomas, Interim Company Secretary		
Lead Executive	Deborah McKenzie, Chief People Officer		
Non-Executive Director Sponsor (if applicable)	Caroline Serfass, Chair of People Committee		
Presented for (tick all that applies)	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Update
<input checked="" type="checkbox"/> Assurance			
Purpose of the report and key issues			
<p>This report presents the findings of an internal effectiveness review of the People Committee for the year to February 2024.</p> <p>The report also includes a review of the Committee's performance against its delegations as per its terms of reference.</p> <p>The Committee will collectively agree what actions should be taken, including areas of prioritisation and timescales for delivery.</p>			
Previously Considered by			
Circulated to the People Committee.			
Recommendation	The Board is asked to note the outcomes of the effectiveness review of the People Committee.		
Risk(s) identified (Link to Board Assurance Framework Risks)			
Linked to Regulatory Compliance risk (BAF-09).			
Strategic Objective(s) this paper relates to: [Click on all that applies]			
<input type="checkbox"/> Collaborate with partners <input checked="" type="checkbox"/> Invest in people and culture <input type="checkbox"/> Drive innovation <input type="checkbox"/> Modernise our operations <input type="checkbox"/> Grow and diversify our donor base			
Appendices:	Appendix 1: People Committee Delegations Review Appendix 2: Analysis of the People Committee's effectiveness review by section.		

1. Background

Just as the board should undertake a review of its own effectiveness, Committees of the board should also undertake a yearly review of their own effectiveness.

The People Committee should regularly assess its own performance – and the adequacy of its terms of reference, work plans, forums of discussion and communication, with a view to highlighting skills and/or knowledge gaps and identifying areas in which the Committee and its processes might be more effective.

This is the first self-effectiveness review of the People Committee.

2. Review Process

A self-assessment questionnaire was circulated to members and regular attendees of the Committee following a review of the questionnaire by the Committee at its meeting on 4 December 2023.

Six completed questionnaires were received from three non-executive directors (NEDs), one associate NED, and two executive directors. One executive director did not complete the questionnaire due to sick leave.

For the purpose of this report, members refer to all individuals who completed the questionnaire.

The questionnaire examined six parts, with sub-sections for each part as follows:

1. Part One: Membership, independence, objectivity and understanding
 - 1.1 Membership, independence and objectivity
 - 1.2 Making the most of your time
2. Part Two: Skills and experience
 - 2.1 Range of skills
 - 2.2 Training and development
3. Part Three: Roles and responsibilities
 - 3.1 Governance
 - 3.2 Risk Management
4. Part Four: Scope - Terms of reference
5. Part Five: Communication and reporting
6. Part Six: Continual Improvement

Members were asked to select from four ratings with the representative scores in bracket:

1. **Neutral** (0) - Since this is the first effectiveness review of the Committee and majority of Committee members fairly new, members may not have a definite position on some of the questions.
2. **Room for improvement** (1) - The Committee is falling short of requirements and should consider how it can work towards becoming more effective in this area.
3. **Meeting standards** (2) - The Committee is performing to the required standard in this area. There may be room for improvement, but the Committee can be seen to be discharging its responsibilities effectively.
4. **Excelling** (3) - This is an area where the Committee is performing beyond the standard expectations and is an area of strength when it comes to exercising its responsibilities.

Each area of the effectiveness questionnaire allowed space for comments, and members were encouraged to provide greater insight rather than simply pointing out what could be improved. This provides an important opportunity to expand on any considerations relating to that section of the effectiveness tool and to highlight any concerns about the Committee's performance.

The completed questionnaires submitted have been analysed to draw conclusions, with the summary of the findings from the review detailed in section three.

3. Summary of Analysis

The completed questionnaires submitted have been analysed to draw conclusions. An in-depth analysis of each part with comments made for each section is presented in Appendix 2.

Some members disclosed that they scored neutral (0) for some questions as they either do not know the answer or are too new to form a view or have an opinion. These comments have not been included separately under the comments sections.

All comments have been anonymised.

4. Delegations review

A comprehensive evaluation of the Committee's delegations outlined in its approved terms of reference is typically conducted as part of the Committee's effectiveness review process. An assessment of the Committee's delegations to ensure adherence to its responsibilities as assigned by the board and documented in its terms of reference have been undertaken. The review has been RAG rated with gaps identified.

The Delegations review is presented in Appendix 1.

This review is separate from the annual update of the Committee's terms of reference which is a separate item on the agenda.

Appendix 1 – People Committee Delegations Review

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>Terms and Conditions (including Pay and Severance):</p> <p>a) Determine the remuneration and conditions of service of those very senior managers currently paid under the terms of the Executive Senior Manager (ESM) Framework 2016 and any other management posts with a base salary in excess of £100,000 per annum.</p> <p>b) Through the Chair of NHSBT and the Chief Executive, to monitor and evaluate the performance of the Chief Executive and individual NHSBT Directors and to use the authority delegated by the Board to set performance bonuses, if appropriate and within guidelines and/or requirements set by DHSC.</p> <p>c) Through the Chair of NHSBT and the Chief Executive, to oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and NHSBT Directors.</p> <p>d) Ensure that appropriate details of Board Members' remuneration and other benefits are published in the Annual Report.</p>	<p>a) Reports prepared through Pay/Reward team within People Directorate based on DHSC and ESM framework parameters set through DHSC. Specific "remuneration cttee" established within People Cttee to review parameters and considerations to determine remuneration levels. This only applies to ESM roles as all other roles on AfC or medical terms (irrespective of salary) are determined through other national negotiations.</p> <p>b) the outcomes of the evaluation of performance is incorporated into the discussions outlined in (a) above – these discussions inform the application of bonuses in line with the DHSC and ESM framework parameters</p> <p>c) any severance arrangements which require additional approvals would be supported through the People Directorate</p> <p>d) The Finance Directorate lead on the development and completion of the</p>		<p>No further action required.</p>		

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>e) Consider and approve any individual redundancies with projected costs in excess of £100,000.</p> <p>f) To consider and approve redundancy proposals within organisational change exercises, where the total estimated redundancy cost exceeds £500k.</p>	<p>annual report and accounts which includes the inclusion of Board Members remuneration and other benefits. The external auditors review the Remuneration Report section of the annual report and accounts, which is considered 'material by nature', ensuring that any deviations from the disclosure requirements are corrected. Where necessary or appropriate the People Directorate are able to support and/or provide additional information.</p> <p>e) redundancy costs are managed through the Pay Committee and in line with the approvals set out in the Scheme of Delegations and the Pay Committee terms of reference. Escalation of decisions is managed through this process to the People Committee where there is a single redundancy cost in excess of £100k.</p>				
<p>Senior Level Capability</p> <p>Annually, the Committee shall receive assurance on:</p> <p>i. Strategic issues affecting NHSBT and any implications for requirements of skills and expertise of the Board and executive leadership of the organisation.</p> <p>ii. The structure, size, diversity and composition of the existing Board and, given the assessment of strategic issues,</p>	<p>i. Various issues concerning the skills and expertise required to effectively deliver culture change have been brought to the Committee, including the work on intentional inclusivity through the Forward Together Programme. The Committee have reviewed and made recommendations impacting not</p>	<p>iii. No approach to succession planning capturing the executive team and senior leadership team.</p>	<p>iii. Develop and embed an approach to succession planning in 2024-25.</p>	<p>Chief People Officer</p>	<p>Open / 31 Mar 2025</p>

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>make recommendations to the Board for future succession planning or near-term changes where needed.</p> <p>iii. NHSBT's talent management and succession planning strategies for the executive leadership of NHSBT (CEO and 2 layers below in order to assure itself of), assuring itself of the continued ability of the organisation to operate effectively in its strategic context.</p>	<p>only the workforce of NHSBT, also the skills and capabilities of the Board to improve diversity and inclusivity awareness.</p> <p>ii. Each year NHSBT reports on the Gender Pay Gap, Workforce Race Equality Standard and the Workforce Disability Equality Standard. These reports include action to be taken to improve the diversity and inclusivity of those enabling NHSBT to meet its strategic and operational delivery, including membership of the Board. A board skills matrix exercise was carried out in 2023. It helped identified gaps for NED recruitment, which should inform succession planning.</p> <p>iii. NHSBT is taking forward work to establish succession planning across the executive and senior leadership team in 2024-25.</p>				
<p>To act as a nominations Committee for appointments to or removal of the Chief Executive and other Executive Director posts as follows:</p> <p>i. Responsibility for ensuring that a proper process is in place for the</p>	<p>i) This falls partly under the Fit and Proper Persons Regulations (FPPR) test. The Committee received an</p>		<p>No further action required.</p>		

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>appointment or removal of chief executive officer.</p> <p>ii. Responsibility for ensuring there is a process for the appointment or removal of the other executive directors and to set the remuneration and allowances and other terms and conditions of office of the executive directors, in collaboration with the CEO.</p>	<p>annual report of compliance with the FPPR in 2023. This is also covered within the Standing Orders.</p> <p>ii) The remuneration and allowances of the Executive Directors is set out in the first section of this table</p>				
<p>To be responsible for determining which Executive Directors are members of the NHSBT Board.</p>	<p>No review of Executive Director members attendance at Board has been reviewed in 2023-24, however the Committee has reviewed changes to the Executive contracts of employment, including those with voting rights sitting on the Board and those without. Changes have been made within the Executive Team over the 2023-24 year, for example the recruitment to the Chief Nurse Officer, resulting in the Board reviewing those Executive Team members attending Board and if they have a voting responsibility.</p>	<p>This was partially met. Review of executive directors' membership at Board to be undertaken.</p>	<p>Review of executive directors' membership at Board.</p>	<p>Chief Executive Officer</p>	<p>Date tbc</p>
<p>Organisational climate</p> <p>a) It will maintain an overview of the culture and climate of NHSBT to ensure NHSBT delivers on its ambition to be a high performing and inclusive organisation.</p>	<p>a) The Committee has reviewed proposal to improve inclusivity and the culture at NHSBT. This has included proposals on the Forward Together Programme and progress made through the year, data and action</p>	<p>Even though no gaps have been identified, further actions are being taken.</p>	<p>a - i) Report data and feedback received following the 2024 our voice survey.</p>	<p>Chief People Officer</p>	<p>Open / July 2024</p>

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>b) This assurance will be sought through the regular review of trends relating to whistleblowing, Freedom to Speak Up, D&G caseloads and absence data to identify specific issues or deterioration in climate. The People Committee will also review <i>Our Voice</i> survey results and follow-up on subsequent action plans. Employee representatives, network representatives may be invited to participate in Committee discussions on the above topics to bring them to life for the Committee.</p> <p>c) The People Committee will report back to the Board with any major concerns which require its attention.</p>	<p>following the annual Our Voice survey in 2023, and work to develop a People Plan setting out the work to improve the experience of our people over the next 3 year period.</p> <p>b) Performance data is regularly shared with the Board as part of the Board Performance Report. In addition to data shared with the Board, the Committee has received regular reports on Freedom To Speak Up, the data following the completion of the 2023 Our Voice survey, and other data relating to the makeup of NHSBT's workforce.</p>		<p>a – ii) Continue to report progress on the Forward Together Programme.</p> <p>a – iii) Report on progress to embed and deliver the People Plan</p>	<p>Senior Responsible Officer</p> <p>Chief People Officer</p>	<p>Ongoing / routine reports</p> <p>New / TBC</p>
<p>Approval of recommendations for external recognition for NHSBT employees</p> <p>The Committee shall:</p> <p>a) Receive assurance that an effective process is in place for the consideration and approval of recommendations for local Clinical Excellence Awards for NHSBT medical staff.</p> <p>b) Receive assurance that an effective process is in place for the consideration and approval of recommendations from the NHSBT Honours Committee.</p>	<p>b) The Committee had resorted to receiving communication in relation to Honours via correspondence.</p>	<p>The Committee did not receive any report during the year under review to provide assurance on the process and approval of Clinical Excellence Awards.</p>	<p>Close working with the Chief Medical Officer to ensure the Committee receives assurance on the process and approval of Clinical Excellence Awards.</p>	<p>Chief People Officer</p>	<p>July 2024/ Ongoing</p>

Delegation	How was this discharged	Gaps	Action	Owner	Status / Date
<p>Fit and Proper Persons Regulations</p> <p>The Committee shall:</p> <ul style="list-style-type: none"> a) Monitor compliance of the Fit and Proper Persons Regulations (FPPR) for NEDs and Executive Directors. b) Receive an annual report from the Company Secretary on FPPR annual checks compliance. 	<p>The Committee received an annual FPPR report confirming compliance with the regulation.</p> <p>FPPR compliance report is included in the Committee's forward plan.</p>		No further action required.		
<p>Equality, Diversity & Inclusion Compliance</p> <ul style="list-style-type: none"> i. The Committee shall review annually the Equality, Diversity and Inclusion (EDI) objectives set to fulfil the organisation's public sector legal obligations. ii. The Committee shall confirm to the Audit, Risk and Governance Committee, NHSBT's EDI compliance in respect of legal and regulatory obligations. 	<ul style="list-style-type: none"> i. The Committee has regularly reviewed work to progress EDI at NHSBT and information relating to the PSED. 	<p>The ARGC did not receive a report on EDI compliance in respect of legal and regulatory obligations during the year under review.</p>	<p>Include in the ARGC forward plan, in consultation with the People Committee forward plan.</p>	Company Secretary	July 2024/ Ongoing
<p>Mandatory Training Subcommittee</p> <p>The Committee shall receive quarterly reports and an annual report from the Mandatory Training Subcommittee. The annual report of the Mandatory Training Group will be presented to the Audit, Risk and Governance Committee for information as an assurance for risk control.</p>	<p>The Mandatory Training Subcommittee became operational in November 2022.</p> <p>The People Committee received a quarterly report from the Mandatory Training Subcommittee in December 2023.</p>	This was partially met.	<p>The Mandatory Training Subcommittee reporting has been factored into the People Committee's forward plan.</p> <p>The People Committee will be receiving the Mandatory Training Subcommittee annual report in July.</p>	Asst. Director of Governance & Resilience	July 2024/ Ongoing