

GREATER GLASGOW NHS BOARD

**Minutes of a Meeting of the  
Staff Governance Committee  
held in the Conference Room,  
Eastbank Health Promotion Centre, Glasgow,  
at 2.00 p.m. on Tuesday, 3 September 2002**

**P R E S E N T**

Professor G C A Dickson (in the Chair)

Mr J Cameron	Mr S MacLennan
Mr R Cleland	Ms P McNally
Ms S Forsyth	Ms K Murphy
Mr W Goudie	Ms H Ostrycharz
Mrs S Kuennsberg CBE	Mr D Sime

**I N A T T E N D A N C E**

Mr T A Divers OBE	Chief Executive
...	...
Mr J C Hamilton	Head of Board Administration
...	...
Ms J Thompson	Human Resources Manager
...	...

**ACTION BY**

1. **WELCOME AND APOLOGIES**

Professor Dickson welcomed everyone to the first meeting of the NHS Greater Glasgow Staff Governance Committee and asked that each member introduce themselves.

He was keen that the Committee worked together in partnership to achieve the ideal set out in the staff governance guidance.

Apologies for absence were intimated on behalf of Mr T P Davison, Mr A O Robertson and Mrs E Smith.

2. **NHS SCOTLAND – STAFF GOVERNANCE STANDARD FOR NHS SCOTLAND EMPLOYEES**

There was submitted a report of the Head of Board Administration [Paper No. 02/1] enclosing the NHS Scotland Staff Governance Standard for NHS Scotland Employees.

The Minister for Health and Community Care had launched the Staff Governance Standard for NHS Scotland in January 2002; the Standard stressed that staff would be entitled to be:

**ACTION BY**

- well informed
- appropriately trained
- involved in decisions which affected them
- treated fairly
- provided with an improved and safe working environment.

**NOTED**

**3. NHS GREATER GLASGOW STAFF GOVERNANCE COMMITTEE**

There was submitted a report of the Head of Board Administration [Paper No. 02/02] on the setting up of the NHS Greater Glasgow Staff Governance Committee.

The report had two items for discussion: firstly, the objectives, composition and remit of the Committee and, secondly, the working arrangements necessary to allow the Committee to fulfil its functions.

The NHS Board had, at its June 2002 meeting, agreed the objectives, composition and remit as a draft working set, subject to consideration by the Staff Governance Committee.

On the issue of Chair of the Committee, Professor Dickson suggested that as this was the first meeting of the Committee and would primarily deal with its modus operandi, it might be better that, as Interim Chairman of the NHS Board, he Chaired this initial meeting.

a) Objectives, Composition and Remit

Mr Cameron queried the wording of paragraph 2 of the proposed remit, which stated that “The Committee should act for the Board in introducing structures and processes to ensure that staff are .....” He suggested that ‘ensuring’ would be more appropriate way of expressing the remit.

After discussion it was agreed that this sentence be altered and a recommendation be made to the NHS Board in September 2002 that it read:

“The Committee shall act for the Board in ensuring that structures and processes are in place to ensure that staff are.....”

Mr Goudie queried the membership of the Committee, and suggested that a Chief Executive’s name was missing. Mr Divers confirmed that the composition of the Committee included a second seat for a Chief Executive, and that the view had been taken that the Chief Executives involved would be those who did not serve on the Area Partnership Forum. There was therefore a seat for the Chief Executive of the North Glasgow Trust, which would be added to the list of members.

**JCH**

Mr Goudie enquired about the references to the Staff Governance Committee in the recently issued Circular – NHS HDL(2002)64 – Appraisal Arrangements for Staff on Executive Pay Ranges. It was clear that the Circular had not taken account of the issuing of the Staff Governance Standard.

## ACTION BY

In response to a question from Mr Goudie, Professor Dickson explained that the Remuneration Sub-Committee would be a sub-committee of the Staff Governance Committee, and that its minutes would be submitted to the Staff Governance Committee.

### **DECIDED:**

**That, subject to the alteration to the Remit and corrections to the list of members, the Objectives, Composition and Remit be approved.**

b) Working and Operating Arrangements

The Guidance had defined the Committee's monitoring role; however, it was for the Committee itself to decide how to fulfil its functions and measure progress. The paper (paragraph 3.3) had suggested that the Directors of Human Resources be asked to consider this and report back to the Committee with recommendations on the type of information and reporting frequency which would assist the Committee to monitor the key staffing issues.

Mr Sime was disappointed at what he regarded as a 'non-partnership' approach, and suggested that HR Directors be asked to meet with partnership representatives to agree the way forward.

This was unanimously accepted and Professor Dickson proposed that a Working Group consisting of 4 members, 2 partnership representatives and 2 HR Directors be formed and asked to bring to the next meeting either options, or a suggested model recognising that Staff Governance was part of the Board's Performance Review, so it was important to obtain the right evidence. The two nominations from the Chairs of the Local Partnership Forum would be submitted to Mr Hamilton.

Mr Cameron commented that while the paper at paragraph 3.3 dealt with the mechanisms, the true remit of the Committee was to effect a change in culture. This was agreed.

Section 4 of the paper set out the linkages between the Committee and the Area and Local Partnership Forums. Mr Goudie suggested that this development would take place and change as required as the Committee and the Forums evolved and settled into the new arrangements. This issue had already been discussed at the Area Partnership Forum.

On the question of appointing a Chair for the Committee, there were a number of options. It was agreed that this would be considered by the Working Group set up to consider working arrangements for the Committee.

### **DECIDED:**

**That a Working Group consisting of the two Human Resources Directors on the Committee and two Chairs of the Local Partnership Forums would meet and bring to the next meeting of the Committee proposals on working and operating arrangements, and suggestions for the Chair of the Staff Governance Committee.**

**Working Group**

**ACTION BY**

**4. ESTABLISHMENT OF REMUNERATION SUB-COMMITTEE(S)**

There was submitted a paper [Paper No. 02/03] on the establishment of Remuneration Committee arrangements to handle the performance and remuneration of Executive Directors and Senior Managers on Executive Pay within NHS Greater Glasgow.

The proposal was that the Remuneration Sub-Committee consider the objective setting and performance of the NHS Board Executive Directors and that the four Trusts and NHS Board each establish Remuneration Groups to consider the arrangements for their respective Senior Managers. In response to a point raised by Mrs Kuennsberg, it was confirmed that the Trust Remuneration Groups would indeed consider the pay arrangements for all of their Executive Directors.

Mrs Kuennsberg asked about the process around setting objectives for Trust Chief Executives, particularly as they would continue to have specific objectives relating to their own Trusts.

Mr Divers explained that Chief Executives, as members of the NHS Board, were required to deliver the key objectives of the Board. However, they would still remain responsible for carrying forward the individual and team objectives relating to their own organisation. For example, the Chief Executive of Yorkhill NHS Trust's objectives would include some NHS Board and some local Trust objectives.

The mechanism to ensure consistency would be that the Chairs of the Trust Remuneration Groups would come together in the Remuneration Sub-Committee.

Mr Goudie raised the question of how to reconcile different performance levels at Board and Trust level.

It was suggested that the objectives should be framed to avoid that situation and Mr Divers commented that the executive team as a whole would be judged on the delivery of key priorities. This was different from individual appraisal against individual objectives. If, say, the whole organisation failed to meet waiting list targets, but one Trust delivered and exceeded its targets, that Trust's Chief Executive would not be penalised. The inclusion of all the Chairs of the Remuneration Groups on the Remuneration Sub-Committee would bring about the consistency sought.

Mr MacLennan expressed concern that the composition of the Remuneration Sub-Committee, with the Trust Chairs as members, could inhibit the capacity of the Sub-Committee to meet its full remit of equal and fair treatment. He considered it important to consider the Employee Director as a member of the Sub-Committee as a safeguard. He thought it important to have someone on the Sub-Committee who was not representing the Trust or Board. He also

suggested that, if the Sub-Committee had the capacity to monitor and intervene, the dynamic would be 'upward', and would depend on an individual Chair bringing issues to the attention of the full Committee. There was therefore a requirement for a Sub-Committee with the ability to intervene 'downward'.

## **ACTION BY**

Professor Dickson saw the Sub-Committee's role as ensuring that objectives were set; that there were mechanisms in place for monitoring achievement; and that fair and consistent appraisals took place.

Mr MacLennan remained concerned that the proposed structure would not mean equal and fair treatment. He would have preferred to see a single structure to deal with the pay issue of all Executive Directors and Senior Managers in NHS Greater Glasgow. Mr Goudie saw benefit in this arrangement.

Mr Cleland suggested that this would be very difficult, that a qualitative judgement was required, and that that appraisal must be on a one-to-one basis. Whilst bearing the staff governance requirements in mind, there must be engagement with people, and an opportunity for discussion.

Professor Dickson stated that the Remuneration Sub-Committee had a strong governance role in ensuring consistency and fairness in the process and was removed from decision making. The advantage of the proposed arrangements was that the Trust Chairs were familiar through proximity with the work of those who would be appraised by the Remuneration Sub-Committee, but that it would be better for the rest of the Senior Managers to be appraised locally.

Ms Murphy suggested that close proximity could result in bias and insularity.

Mr Sime raised the issue of objective setting and suggested that, since staff governance would be a major objective for Executive Directors, and the Employee Director's role was within the Trusts and pan-Glasgow, it followed that there should be scope for assessment across the Trusts and pan-Glasgow.

Professor Dickson explained that this would be achieved through the Trust Chairs. The proposed model would establish appropriate governance arrangements, with all the Trust Chairs serving on the Sub-Committee, thus enabling it to take a common view. He emphasised that the Sub-Committee had a strong governance role.

Mr Cameron suggested that the Staff Governance Standard was intended to ensure consistency, but that each organisation would give a lead from its own starting point on governance standards. The evidence would be behaviour – measured against the Staff Governance Standard, and the Remuneration Sub-Committee did not have a remit to change the process – it did not have an interventionist or management remit.

Professor Dickson acknowledged that some members were very knowledgeable about remuneration committees, whereas this was new to others, with anxieties which were understandable. However, there was a need for the Staff Governance Committee to get this process underway as quickly as possible, recognising that we were nearly half way through the year already. He therefore suggested that the Committee agreed arrangements for this

performance year and review these after the completion of the first year.

Mr Goudie agreed the necessity to move forward, for example with an interim arrangement, with a mechanism for getting everyone trained on the relevant issues.

## **ACTION BY**

Mr Sime suggested that if an interim arrangement were agreed, this should include a specific review date.

Professor Dickson reminded members that the task in hand was to interpret the Guidance which had been given. The information flow between the Groups and the Sub-Committee still had to be agreed, but seeing it through would give a feel for how well it worked. The main point was that the main Remuneration Sub-Committee would ensure that proper governance was in place.

On the issue of delegated powers in paragraph 3.1 of the paper, Professor Dickson explained that it was common practice for a Sub-Committee to have full delegated powers conferred on it by its parent Committee.

Mr Divers sought clarification on the role sought for the Employee Director. He asked whether it was the intention that the Employee Director chair the Remuneration Group of the NHS Board. The proposal in the paper was that the Remuneration Sub-Committee would consist of the Chair of the NHS Board, the Trust Chairs within NHS Greater Glasgow and a Non-Executive Director.

Mr Sime stated that the Employee Director had a special remit on staff governance and should be a member of the Remuneration Sub-Committee.

Mr Cleland queried whether the involvement of the Employee Director was a decision for the Staff Governance Committee or for the NHS Board. Ms Murphy suggested that this could be a recommendation, if not a decision.

Mr Hamilton confirmed that any of the NHS Board Non-Executive Directors could be nominated to be a member of the Remuneration Sub-Committee.

Mr MacLennan suggested that every Board structure should physically reflect the principle of partnership, and that therefore an alternative Non Executive Director would be unsuitable. If the need for partnership profile were agreed, only the inclusion of the Employee Director would be acceptable.

Professor Dickson summed up the discussion, stating that there was a clear view that the Employee Director should be a member of the Remuneration Sub-Committee.

It was confirmed that the proposed membership for the Remuneration Sub-Committee was the minimum composition and the appointment of a second Non-Executive Director was possible.

Professor Dickson stated that he would report back to the Board on its meeting on 17 September 2002 and assured members that the minutes which were submitted to the Board would accurately reflect what had been said. It would explain that the Staff Governance Committee had met and discussed the complement of the Remuneration Sub-Committee; that there was a view that one of the non-prescribed members should be the Employee Director; Board members would be asked to consider this recommendation.

**DECIDED:**

**That a paper be submitted to the Board reflecting the discussion which had taken place regarding the appointment of the Employee Director and a further Non-Executive Director to the Remuneration Sub-Committee.**

**JCH**

**ACTION BY**

**5. PROGRESS ON PREPARATION OF TRUST ACTION PLANS FOLLOWING STAFF SURVEY**

There was a paper submitted [Paper No. 02/04] setting out the progress each Trust and NHS Board had made in developing action plans following the results of the staff survey in the Spring.

Ms Ostrycharz explained that the paper represented the starting position of each organisation. Some Partnership Forums still had to meet and ratify the proposals. Each organisation was beginning to address the evidence obtained from the staff survey.

**NOTED**

**6. DATE OF NEXT MEETING**

Professor Dickson closed the meeting by suggesting that a further meeting be arranged for mid-November 2002. This would allow time to produce the proposals on the Committee's operating arrangements. It was agreed that training on remuneration committee issues and objective setting should be arranged immediately before the next meeting and that a whole morning or afternoon would be set aside.

**JCH/JT**

Professor Dickson thanked members for their attendance and participation.

The meeting ended at 3.45 p.m.