

**To:** Nomination Committee

**For meeting on:** 1 October 2014

**Agenda item:** 4

**Report by:** Philippa Harding, Board Secretary

**Report on:** Size, structure and composition of the Board

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1. The Nomination Committee should regularly review the structure, size and composition of the Board.
2. This report provides the Nomination Committee with information regarding the current membership of the Board and its associated committees to facilitate discussion. The Committee is asked to comment on the size, structure and composition of the Board and determine whether any recommendations should be made to the Board in relation to these.
3. Nominations Committee members are asked particularly to consider the non-executive membership of the Board. As the Committee is aware, the Department of Health (on behalf of the Secretary of State for Health) sought to recruit two new non-executive directors in April 2014, but was only able to appoint one.
4. Members of the Nomination Committee are aware of work currently being undertaken with regard to Monitor's organisational design. It is proposed that the outcome of this work should inform the Committee's consideration of the executive membership of Monitor's Board.

### **Board and Executive Committee membership**

5. The Board currently consists of the following eight members:

<b>Non-executive Directors</b>				
Name	Role	Appointed	Period	End
Joan Hanham	Chairman	20/01/14	Approx. 2 yrs	31/03/16
Keith Palmer	Deputy Chairman, Senior Independent Director, Audit and Risk Committee Chair and Remuneration Committee member	01/04/14	4 yrs	31/03/16
Heather Lawrence	Nomination Committee Chair and Remuneration Committee member	01/07/12	4 yrs	30/06/16
Iain Osborne	Remuneration Committee Chair, Audit and Risk Committee member and Nomination Committee member	19/05/14	3 yrs	18/06/17
Sigurd Reinton	Technology Assurance Committee Chair, Audit and Risk Committee member	01/01/12	4yrs	31/12/15
<b>Executive Directors</b>				
Name	Role	Appointed	Period	End
David Bennett	Chief Executive	01/11/12	Indefinite	n/a
Stephen Hay	Managing Director of Provider Regulation	01/11/12	Indefinite	n/a
Adrian Masters	Managing Director of Sector Development	01/11/12	Indefinite	n/a

6. The Executive Committee is chaired by the Chief Executive and consists of his direct reports. Executive Committee members are expected to attend and participate in Board meetings, but are not members of the Board members (with the exception of the Chief Executive, the Managing Director of Provider Regulation and the Managing Director of Sector Development). A number of other senior executives (not direct reports to the Chief Executive) are expected to be in attendance at both Board and Executive Committee meetings.

<b>Executive Committee members (excluding executive members of the Board)</b>	
Name	Role
Miranda Carter	Executive Director of Provider Appraisal
Catherine Davies	Executive Director of Co-operation and Competition
Fiona Knight	Executive Director of Organisational Transformation
Hugo Mascie-Taylor	Medical Director and Executive Director of Clinical Engagement
Sue Meeson	Executive Director of Strategic Communications
Kate Moore	Executive Director of Legal Services
<b>Other senior executives (expected to be in attendance at Board and Executive Committee meetings)</b>	
Name	Role
Helen Buckingham	Chief of Staff
Jason Dorsett	Financial Reporting and Risk Director
Philippa Harding	Board Secretary
Toby Lambert	Director of Strategy and Policy
Ric Marshall	Director of Pricing
TBC	Chief Economist

## **Board Committee Membership**

7. Members of Monitor's Board Committees are appointed for fixed periods, according to best practice. With the exception of the Technology Assurance Committee, the Committees below were established when the Board agreed Monitor's governance framework in October 2012. The creation of the Technology Assurance Committee was agreed in September 2013.

<b>Committee</b>	<b>Chair</b>	<b>Members</b>
Audit and Risk Committee	Keith Palmer (Appointed 01/11/12 until 31 October 2015)	Sigurd Reinton (Appointed 01/11/12 until 31 October 2015)
		Iain Osborne (Appointed 01/06/14 until 30 May 2017)
Nomination Committee	Heather Lawrence (Appointed 01/11/12 until 31 October 2015)	Iain Osborne (Appointed 01/06/14 until 30 May 2017)
		David Bennett (Appointed 01/11/12 until 31 October 2015)

<b>Committee</b>	<b>Chair</b>	<b>Members</b>
Remuneration Committee	Iain Osborne (Appointed 01/06/14 until 30 May 2017)	Heather Lawrence (Appointed 01/11/12 until 31 October 2015)
		Keith Palmer (Appointed 01/11/12 until 31 October 2015)
		Joan Hanham (Appointed 01/06/14 until 31/03/16)
Technology Assurance Committee	Sigurd Reinton (Appointed 01/11/12 until 31 October 2015)	Stuart Jobbins (indp) (Appointed 13/05/14 until 12 May 2016)
		Paul Willer (indp) (Appointed 13/05/14 until 12 May 2016)
		Ted Woodhouse (indp) (Appointed 13/05/14 until 12 May 2016)

**Philippa Harding**  
**Board Secretary**

**Making a difference for patients:**

*Monitor's mission is to make the health sector work better for patients. Having the right Board size, structure and composition is key to ensuring that Monitor achieves its mission.*

**Public Sector Equality Duty:**

*Monitor has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people from different groups. In relation to the issues set out in this paper, consideration has been given to the impact that the recommendations might have on these requirements and on the nine protected groups identified by the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation).*

*It is anticipated that the recommendations of this paper are not likely to have any particular impact upon the requirements of or the protected groups identified by the Equality Act.*

**Exempt information:**

*None of this report is exempt under the Freedom of Information Act 2000.*

## Annex A

### Monitor Board member biographies

Non-executive Board members	
Joan Hanham Chairman	<p>Baroness Hanham is a Conservative member of the House of Lords, becoming a Life Peer as Baroness Hanham of Kensington in the Royal Borough of Kensington and Chelsea in 1999.</p> <p>Previous roles include:</p> <ul style="list-style-type: none"> <li>• Parliamentary Under Secretary of State at the Department for Communities and Local Government (2010 to 2013)</li> <li>• Leader of Kensington and Chelsea Council, 1989 to 2000</li> <li>• Chairman of St Mary's Hospital NHS Trust, 2000 to 2007</li> </ul> <p>She became a Freeman of the City of London in 1984, and was awarded a CBE in 1997.</p> <p>Baroness Hanham has a number of voluntary interests, and is the president or patron of 6 volunteering and charitable organisations in the Royal Borough of Kensington and Chelsea. She is a former Chairman of the English Volunteering Development Council, and most recently was the President of Volunteering England.</p>
Keith Palmer Deputy Chairman, Senior Independent Director, Audit and Risk Committee Chair and Remuneration Committee member	<p>Keith is founder and non-executive chairman of InfraCo, a not-for-profit public private partnership that develops infrastructure in developing countries, and of AgDevCo, a not-for-profit public private partnership that supports agricultural development in sub-Saharan Africa. He is also currently a Senior Associate of the Nuffield Trust.</p> <p>His previous roles include:</p> <ul style="list-style-type: none"> <li>• non-executive director of Guy's and St Thomas' NHS Foundation Trust</li> <li>• Chairman of Barts and the London NHS Trust</li> <li>• Senior Associate of the King's Fund</li> <li>• Treasurer and Trustee of Cancer Research UK</li> <li>• Vice-Chairman of NM Rothschild merchant bank</li> </ul>
Heather Lawrence Nomination Committee Chair and Remuneration	<p>Heather is also a non-executive director of NMC Healthcare, a FTSE 250 company.</p>

Committee member	<p>Her previous roles include:</p> <ul style="list-style-type: none"> <li>• Chief Executive of Chelsea and Westminster Hospital</li> <li>• Chair of the national negotiations for the SAS Doctors contract and Agenda for Change 3-year pay deal for non-medical staff</li> <li>• Commissioner for the Prime Minister's Commission on the Future of Nursing and Midwifery</li> <li>• member of the Dr Foster Global Comparators Founders Board</li> <li>• nurse at St Mary's Hospital Paddington</li> </ul>
Iain Osborne Remuneration Committee Chair, Audit and Risk Committee member and Nomination Committee member	<p>Iain is also Group Director for regulatory policy at the Civil Aviation Authority, and is an experienced regulatory expert having led the work between UK economic regulators before the formation of the current UK Regulators Network.</p> <p>His previous roles include:</p> <ul style="list-style-type: none"> <li>• Chief Executive of Northern Ireland's utility regulator</li> <li>• secondment to the European Commission's competition directorate</li> </ul>
Sigurd Reinton Technology Assurance Committee Chair, Audit and Risk Committee member	<p>Sigurd's previous roles include:</p> <ul style="list-style-type: none"> <li>• Director of NATS Holdings, which provides the air traffic control services for the UK and North Atlantic airspace, and for the main UK airports</li> <li>• Chairman of the London Ambulance Service NHS Trust</li> <li>• Chairman of Mayday University Hospitals NHS Trust</li> <li>• member of the board of the Ambulance Services Network</li> <li>• member of the advisory board of The Foundation</li> <li>• member of the Council of the NHS Confederation</li> <li>• Director (senior partner) at McKinsey &amp; Company</li> </ul>
<b>Executive Board members</b>	
David Bennett Chief Executive	<p>David's previous roles have included:</p> <ul style="list-style-type: none"> <li>• non-political Chief Policy Adviser to Prime Minister Tony Blair</li> <li>• Head of the Policy Directorate and the Strategy Unit in 10 Downing Street</li> <li>• independent adviser to various NHS bodies</li> <li>• senior partner at McKinsey &amp; Co., where he focused on regulated, technology-intensive industries</li> </ul>
Stephen Hay Managing Director of Provider Regulation	<p>Stephen Hay is Managing Director of Provider Regulation responsible for the monitoring, compliance and intervention regime for NHS foundation trusts. He is also on the Board</p>

	<p>of the Department for Communities and Local Government (DCLG) and chairs the DCLG Audit and Risk Committee.</p> <p>His portfolio of financial experience is wide ranging and includes mergers and acquisitions, due diligence for initial public offerings and risk assessment. A qualified chartered accountant, Stephen previously worked as a director at KPMG, where he advised boards of corporate and private equity houses.</p>
<p>Adrian Masters Managing Director of Sector Development</p>	<p>The Managing Director of Sector Development is responsible for:</p> <ul style="list-style-type: none"> <li>• leading on the development and maintenance of Monitor's regulatory framework</li> <li>• supporting the future development of the healthcare sector including shaping the pricing regime and co-ordinating projects and reviews</li> </ul> <p>Adrian's previous roles include:</p> <ul style="list-style-type: none"> <li>• Director of the Health Team in the Prime Minister's Delivery Unit</li> <li>• Roles at McKinsey, IBM and PricewaterhouseCoopers</li> </ul> <p>He is a qualified accountant and has an MBA from Stanford University.</p>



## Annex B – Board Committee membership requirements (according to Terms of Reference)

<b><u>Audit &amp; Risk Committee</u></b>	<b><u>Remuneration Committee</u></b>	<b><u>Nomination Committee</u></b>	<b><u>Technology Assurance Committee</u></b>
Three members	Three members, all NEDs	Three members, a majority of which shall be NEDs	Up to five members
Appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Chairman of the Board	Appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Chair of the Remuneration Committee	Appointed by the Board	Appointed by the Board, in consultation with the Chair of the Audit and Risk Committee and the Chief Executive
At least two members to be NEDs, the third to be either a non-voting member who is independent of the Board or another NED			At least two members of the Committee shall be independent of Monitor and have recent and relevant information technology experience. The TAC should also be attended by an executive member of the Monitor Board.
At least one member of the Committee shall have recent and relevant financial experience.			
The Chairman of the Board shall not be a member of the Committee	The Chairman of the Board may serve on the Committee as an additional member, if considered to be independent on appointment		
Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years	Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years	Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years	Appointments to the TAC shall be for a period of up to two years, which may be extended for further periods of up to two years, provided the individual still meets the criteria for membership of the TAC.