

## Cover Sheet

Trust Board Meeting in Public: Wednesday 08 May 2024

TB2024.41

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**Title:** Remuneration and Appointments Committee Terms of Reference

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**Status:** For Decision  
**History:** Remuneration and Appointments Committee - 24 April 2024 (RA2024.11)

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**Board Lead:** Committee Chair  
**Author:** Ms Claire Flint, Committee Chair and Non-Executive Director  
**Confidential:** No  
**Key Purpose:** Assurance, Policy

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## **Executive Summary**

1. This paper sets out the revised Terms of Reference for the Remuneration and Appointments Committee.
2. The amendments contained herein clarify the existing practice of the Committee and ensure compliance with the [Code of Governance for NHS Provider Trusts](#).

## **Recommendations**

3. The Trust Board is asked to:
  - Approve the revised Terms of Reference for the Remuneration and Appointments Committee.

## Remuneration and Appointments Committee Terms of Reference

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### 1. Purpose

- 1.1. This paper sets out amendments to the Terms of Reference for the Remuneration and Appointments Committee requiring the approval of the Trust Board.

### 2. Background

- 2.1. The Terms of Reference for the Committee should be reviewed on an annual basis and approved by the Trust Board.
- 2.2. Reviews of the Terms of Reference were not undertaken during the Covid-19 pandemic, and there were subsequently no changes warranting amendments. Therefore, the most recent Terms of Reference were approved by the Trust Board on 11 September 2019 (TB2019.99).

### 3. Proposed changes to Terms of Reference

- 3.1. The Committee have included paragraph 6.1.13 to ensure compliance with Section B, 2.14 of the [Code of Governance for NHS Provider Trusts](#), which requires that the Chief Executive and Executive Directors do not “take on additional external appointments without prior approval of the Board of Directors”. The revised Code of Governance took effect on 01 April 2023.
- 3.2. To ensure consistency with other Board sub-committees, references to a Committee Vice Chair have been removed. The revised Terms of Reference have also been amended to correctly state how the Chair is appointed.
- 3.3. Additionally, minor typographical and formatting amendments have been made to the Terms of Reference to improve legibility.
- 3.4. The proposed Terms of Reference are included at Appendix 1.

### 4. Recommendations

- 4.1. The Trust Board is asked to:
  - 6.1.1. Approve the revised Terms of Reference for the Remuneration and Appointments Committee.

## **Remuneration and Appointments Committee**

### **Terms of Reference**

#### **1. Authority**

- 1.1. The Remuneration and Appointments Committee is constituted as a standing committee of the Trust Board. The Committee is a Non-Executive Committee and has no executive powers, other than those specifically delegated in these Terms of Reference. The Terms of Reference can only be amended with the approval of the Trust Board.
- 1.2. The Committee is authorised by the Trust Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Committee.
- 1.3. The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experiences and expertise if it considers this necessary.

#### **2. Purpose of the Committee**

- 2.1. The Committee is responsible for:
  - 2.1.1. Determining the policy on remuneration for the Chief Executive, Executive Directors (which are defined as Board members); Divisional Directors; and all other very senior managers (VSMs) who are not covered by NHS Terms and Conditions of Service (Agenda for Change) or Medical and Dental Terms and Conditions.
  - 2.1.2. Approving contracts of employment for the Chief Executive, Executive Directors (which are defined as Board members); and Divisional Directors.
  - 2.1.3. Agreeing arrangements for termination of contracts, including severance payments at or above £100,000 paid to any member of staff.
- 2.2. The Committee should be informed annually of any and all severance payments made to staff on the termination of employment with the Trust.
- 2.3. The Committee should be informed annually of all existing staff and all new appointments made by the Trust where remuneration exceeds £100,000.
- 2.4. The Committee will also play a role in monitoring the effectiveness of action to address the gender pay gap across the Trust.

### **3. Membership**

- 3.1. Full membership of the Committee is limited to the Chair and voting Non-Executive Directors of the Trust. The Chair of the Committee shall be appointed by the Chair of the Trust Board.

### **4. Attendance and Quorum**

- 4.1. The quorum for any meeting of the Committee shall be attendance of a minimum of three members, one of whom should be the Committee Chair.
- 4.2. It is expected that all members will attend at least three quarters of all meetings per financial year. An attendance record will be held for each meeting and an annual register of attendance will be published.
- 4.3. Every effort shall be made to ensure that the decisions of the Committee are made within its properly constituted meetings. In exceptional circumstances, where very urgent and unanticipated decisions are required to be taken, these may be requested by email circulation to all Committee members. In order for a Committee decision made in this way to be effective, it shall require the prior approval of the Committee Chair that the urgent decision be made in this manner and a positive response from at least 70% of Committee members (which shall include the Committee Chair) signifying their assent to the decision.
- 4.4. The Chief Executive should normally be in attendance except when issues regarding their own remuneration are discussed.
- 4.5. The Chair may request attendance by relevant staff at any meeting.

### **5. Frequency of meetings**

- 5.1. Meetings of the Remuneration and Appointments Committee shall be held as necessary but not less than twice a year and at such other times as the Chair of the Committee shall require.

### **6. Specific Duties**

- 6.1. The Committee shall have delegated authority to:
  - 6.1.1. Determine the policy on remuneration for the Chief Executive, Executive Directors (which are defined as Board members); Divisional Directors; and all other very senior managers (VSMs) who are not covered by NHS Terms and Conditions of Service (Agenda for Change) or Medical and Dental Terms and Conditions.
  - 6.1.2. Determine the remuneration for the above individuals and groups in 6.1.1, including base pay, variable pay contingent on performance, contracts and terms of service, termination arrangements and pensions, ensuring they are fairly rewarded for their individual contribution to the organisation – having proper regard to the

organisation's circumstances and performance, and to the provisions of any national agreements where appropriate.

- 6.1.3. Review and agree:
  - overall market positioning of the remuneration package;
  - individual base salaries and increases; and
  - relevant targets for performance related schemes.
- 6.1.4. Ensure that the right performance and talent management arrangements are in place for the individuals and groups in 6.1.1.
- 6.1.5. Oversee the setting of objectives for the Chief Executive; Executive Directors; and Divisional Directors on an annual basis.
- 6.1.6. Monitor and evaluate the performance of the Chief Executive; Executive Directors; and Divisional Directors.
- 6.1.7. Ensure that succession planning and skills assessments are applied as and when necessary.
- 6.1.8. Consider Agenda for Change and Medical and Dental salaries compared to the remuneration of the individuals and groups in 6.1.1 to review the relativities between them and ensure equity as far as possible.
- 6.1.9. Play a role in monitoring the effectiveness of action to address equity and equality, including the gender pay gap, across the Trust, taking in account equal value and equal pay principles and legislation.
- 6.1.10. Approve the contract of employment for the Chief Executive; Executive Directors; and Divisional Directors.
- 6.1.11. Scrutinise and agree severance terms for the termination of a contract of employment giving due regard to HM Treasury requirements and ensuring compliance with the NHS England guidance for NHS Trusts on processes for making severance payments.
- 6.1.12. Have regard to the Trust's overarching reward and benefit strategy for all staff, the arrangements in the wider NHS and any extant guidance from NHS England and HM Treasury, together with any relevant laws, codes and regulations in determining remuneration policy and packages for the individuals and groups in 6.1.1.
- 6.1.13. Approve requests from individuals and groups in 6.1.1 to take on external appointments, including, but not limited to, additional paid employment, non-executive directorships, or trusteeships.
- 6.1.14. Undertake any other duties as directed by the Board.

## **7. Sub-Committees**

- 7.1. The Remuneration and Appointments Committee has no established sub-committees.

## **8. Administrative Support**

- 8.1. The Committee will be supported by the Trust's most senior HR advisor, in attendance for all meetings except when issues regarding his or her own salary are discussed. The administrative support in this respect will include:

- 8.1.1. Agreement of the agenda with the Committee Chair.
- 8.1.2. Collation and distribution of papers at least five working days before each meeting.
- 8.1.3. Taking the minutes and keeping a record of matters arising and issues to be carried forward.
- 8.1.4. Providing support to the Chair and members as required.

## **9. Accountability and Reporting arrangements**

- 9.1. The Committee shall be directly accountable to the Trust Board.
- 9.2. The minutes of all meetings shall be formally recorded and an annual report will be provided to the Trust Board by the Chair of the Committee.

## **10. Monitoring Effectiveness and Compliance with Terms of Reference**

- 10.1. The Committee will carry out an annual review of its effectiveness and provide an annual report to the Board on its work in discharging its responsibilities, delivering its objectives, and complying with its Terms of Reference, specifically commenting on relevant aspects of the Board Assurance Framework and relevant regulatory frameworks.

## **11. Review of Terms of Reference**

- 11.1. The Terms of Reference of the Remuneration and Appointments Committee shall be reviewed at least annually by the Committee and approved by the Trust Board.

Date approved: Remuneration and Appointments Committee 24 April 2024  
Approved by: Trust Board 08 May 2024  
Next review date: April 2025