

Remuneration Committee

Terms of Reference

1. Introduction

- 1.1 The Remuneration Committee is constituted as a standing committee of the Trust's Board. Its constitution and terms of reference is as set out below.
- 1.2 The Remuneration Committee is authorised by the Trust's Board to act within its terms of reference.

2 Constitution

- 2.1 The Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (the Committee). The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference.
- 2.2 The Committee will provide assurance to the Trust Board on all areas within its remit based on the evidence received by the Committee using standard classification, i.e.

3 Membership and attendees

- 3.1 The Committee will comprise:
 - The Trust Chair
 - All Non-Executive Directors (one of whom will act as Chair)
 - All Associate Non-Executive Directors (as attendees)
- 3.2 These following officers will service the Committee and provide specialist advice and evidence-based information to support the Committee to make their decisions:
 - The Chief Governance Officer (Committee Advisor)
 - The Chief People Officer (Committee Advisor)
 - The Associate Director of Corporate Governance / Company Secretary (Secretariat)
- 3.3 One of the members of the Remuneration Committee will be appointed as Chair of the Committee by the Trust Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.4 The Trust Chair shall not be the Chair of the Committee.

3.5 The Committee may invite additional officers of the Trust to attend to contribute to key business as required. These officers and additional attendees will not have voting rights. The Chief Executive will attend the meetings by invitation.

3.6 The composition of the Committee, along with information on attendance will be recorded in the annual report.

4 Meetings and quorum

4.1 Committee members are expected to attend all meetings. Apologies must be received by the Chair in advance of the meetings.

4.2 If any Committee member or officer in attendance at the meeting has a pecuniary interest in any matter and is present at the meeting at which the matter is under discussion, he or she is required to declare that interest as early as possible and shall not participate in the discussions. They will recuse themselves as necessary. The Chair will have the power to request that member or officer to withdraw from the entire meeting or from relevant agenda items.

4.3 The Chair will preside at all meetings. In extraordinary circumstances where the Chair cannot attend, the Chair will nominate one of the other Non-Executive Directors (NEDs) to act as Deputy Chair.

4.4 A quorum shall be three members of the Committee. If the Committee is not quorate the meeting will normally be postponed. Exceptionally at the Chair's discretion, a virtual meeting may take place to deal with urgent business. Otherwise, matters would be deferred until the next quorate meeting.

4.5 Meetings shall be held regularly in line with the annual workplan with an expectation of four meetings a year. Additional meetings may be called at the Chair's discretion.

4.6 If, subsequent to any decision of the Committee, it transpires that incorrect advice has been given to the committee, or that there are material changes to circumstances which, if known at the time of the original decision, would have implications for that decision, then this should be communicated as soon as possible and in full to all members of the Committee, and, if necessary an additional meeting of the Committee should be convened to reconsider the position.

4.7 Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Chair. Participation by any of these means shall be deemed to constitute presence in person at the meeting.

5 Role and duties of the Committee

5.1 The role of the Committee is to:

5.2 Overview

Provide the Board with advice concerning the terms and conditions of employment of executive directors, including the Chief Executive. Advise and make recommendations to the Board about the remuneration and terms of service for very senior managers¹ (VSMs) and others on equivalent salaries where aspects of their pay, terms and conditions of service are not covered by national agreements and are subject to local determination.

Approve any proposals for restructuring or changing individual VSM roles and others on equivalent salaries, where these changes will have an impact on remuneration and/or terms of service.

5.3 The duties can be categorised as follows:

Horizon Scanning

Regularly review the equality, diversity, structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes.

Consider and make plans for succession planning for the Chief Executive and other executive directors/directors, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed, in particular, on the Board in future.

Before an appointment is made, evaluate the balance of equality, diversity, skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds; and consider candidates on merit against objective criteria. Any partner agencies that are engaged are committed to equality and diversity and their performance will be evaluated against this commitment as part of the outcome measures.

Determining basic salaries

Recommend the remuneration and terms and conditions of employment for any employees who are not subject to national terms and conditions of service and/or where local determination is required. On an annual basis, to ensure that VSMs salaries are set at the appropriate level to attract and retain a diverse range of appropriately experienced and qualified candidates to leadership roles .

Monitor, review and report to the Board on relevant processes of remuneration that are not covered by the Agenda for Change pay, terms and conditions or by the consultant

¹ Very Senior Managers are typically positions either leading an organisation (such as Chief Executive), members of an Executive board, or directly reporting to the Chief Executive. Their contract of employment will refer to them as VSMs

contract, the salaried dental contract or the staff and associate specialist contract pay, terms and conditions that may require consideration by exception to meet the business needs of the Trust. Ratify and agree any awards at the discretion of the Trust as the employer.

Contractual arrangements

To make recommendations on contractual arrangements in respect of VSMs considering relevant national and local policy and guidance. This includes any employment policies that will apply to VSMs, particularly, but not exclusively, those with financial implications – eg policies relating to pension and/or redundancy payments.

Seek assurance on the robustness of the plans for the delivery of Trust's reward and recognition strategy for any employees who are not subject to national terms and conditions of service and where local determination is required.

Development pay for executive directors

To make recommendations regarding development pay, if necessary, for newly appointed executive directors and directors, ensuring a robust business case and performance monitoring is in place and appropriate approval of the NHS England is sought where necessary.

Exit schemes and extra contractual payments

To have strategic oversight of exit schemes and seek NHS England and DHSC approval where appropriate. To agree extra contractual payments, taking account of national guidance and ensuring that there are robust supporting business cases.

Severance payments

To consider and approve for recommendation to NHS England/DHSC as necessary on any severance payment for VSMs; and for and other staff any contractual severance; and any non-contractual severance payment. Treasury approval must be sought in those circumstances.

Employment issues

To receive reports on significant employee relations issues on an exceptional basis, review these on behalf of the Board and report to the Board (in private session) as appropriate. Those cases that will be considered by the Committee will be assessed on the grounds of value for money, reputational risk, impact or precedent or as deemed otherwise to be novel or contentious. The case may relate to current or immediately past employees.

Provide oversight of and make decisions relating to confidential employee relations, whistleblowing regarding Freedom to Speak Up cases of high reputational risk to the Trust.

6. Authority

6.1 The Committee is authorised by the Board to advise them to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Committee.

6.2 Be mindful of the limits of its authority, noting any extant guidance in this regard from the DHSC /or NHS England, with the boundaries of UK Employment Law

7. Reporting to the Board

7.1 The Committee will report in writing to the Private Board through the Committee's Chair's assurance report (produced after each Committee meeting). The report records key issues, actions and decisions and the level of assurance provided to the Board by the Committee's consideration of the relevant item. Minutes of the Committee's meetings will be produced promptly for approval at the subsequent Committee meeting.

7.2 To seek assurance on any additional matter referred to the Committee from the Board

8. Administrative arrangements

8.1 The Committee will receive appropriate administrative support. Duties will include:

- Preparing (with the chair) and circulating the agenda and papers no later than five working days before the date of the meeting
- maintaining accurate records of attendance, main discussion points and decisions taken and issue necessary action logs within five working days of the meeting
- drafting minutes for circulation to the Chair
- Management of actions arising from the committee.
- maintaining a database of any documents discussed and / or approved and recall them to the Committee when due and filing and maintaining records of the work of the Committee

9. Review of terms of reference

9.1 The purpose, function, responsibilities and duties of this Committee will be reviewed on an annual basis. Any amendments will be put before the Trust's Board for approval.

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