

Terms of Reference

Name of Committee	Remuneration and Nomination Committee
Type of Committee	Committee of the Trust Board of Directors
1.	<p>Purpose of Committee</p> <p>To be responsible for identifying and appointing candidates to fill all the Executive Director positions on the Trust Board and for determining their remuneration and other conditions of service.</p>
2.	<p>Authority / Accountability</p> <p>The Remuneration and Nomination Committee (the Committee) is constituted as a standing committee of the Trust Board of Directors (the Board). Its constitution and terms of reference shall be as set out below, subject to amendments at future Trust Board meetings.</p> <p>The Committee is authorised by the Board to act within its terms of reference. All members of staff are directed to cooperate with any request made by the Committee.</p> <p>The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the exercising of its functions.</p> <p>The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.</p>
3.	<p>Objectives of Committee</p> <p>Appointments Role</p> <p>The Committee will:</p> <ul style="list-style-type: none"> regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making use of the output of the Board evaluation process as appropriate, and make recommendations to the Board, and Nomination Committee of the Council of Governors, as applicable, with regard to any changes give full consideration to and make plans for succession planning for the Chief Executive and other Executive Directors of the Board taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future



- keep the leadership needs of the Trust under review at executive level to ensure the continued ability of the Trust to operate effectively in the health economy
- be responsible for identifying and appointing candidates to fill posts within its remit as and when they arise
- when a vacancy is identified, evaluate the balance of skills, knowledge and experience on the Board, and its diversity, and in the light of this evaluation, prepare a description of the role and capabilities required for the 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
- comply with the legal duties incumbent upon them set out in the Equality Act 2010 and related Regulations, in particular the duty to have due regard to preventing discrimination and promoting equality of opportunity where people share specific characteristics
- consider where appropriate the use of positive action in recruitment and promotion in line with section 158 and section 159 of the Equality Act 2010
- ensure that a proposed Executive Director of the Board is a 'fit and proper' person as defined in law and regulation
- ensure that a proposed Executive Director of the Board's other significant commitments (if applicable) are disclosed before appointment and that any changes to their commitments are reported to the Board as they arise
- ensure that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported
- carefully consider what compensation commitments (including pension contributions) the Executive Director of the Board's terms of appointment would give rise to in the event of early termination to avoid rewarding poor performance. Contracts should allow for compensation to be reduced in order to reflect a departing Director's obligation to mitigate loss. Appropriate claw back provisions should be considered in case of an Executive Director of the Board returning to the NHS within the period of any putative notice
- consider any matter relating to the continuation in office of any Board Executive Director including the suspension or termination of service of an individual as an employee of the Trust, subject to the provisions of the law and their service contract

Remuneration Role

The Committee will:

- establish and keep under review a remuneration policy in respect of Executive Directors of the Board
- consult the Chair and/or Chief Executive about proposals relating to the remuneration of the other Directors and/or senior managers on locally determined pay.

In accordance with all relevant laws, regulations and Trust policies, decide and keep under review the terms and conditions of office of the Trust's Executive Directors of the Board and Directors and / or senior managers on locally-determined pay, including:

- salary, including any performance-related pay or bonus
- provisions for other benefits, including pensions and cars
- allowances
- payable expenses
- compensation payments
- termination of employment and other contractual terms.

In adhering to all relevant laws, regulations and Trust policies:

- establish levels of remuneration which are sufficient to attract, retain and motivate Executive Directors of the Board of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trust
- decide whether a proportion of Executive Director of the Board's remuneration should be structured so as to link reward to corporate and individual performance
- make sure that any performance-related elements of executive remuneration are stretching and promote the long-term sustainability of the Trust, and take as a baseline for performance any competencies required and specified within the job description for the post
- consider all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements
- use national guidance and market benchmarking analysis in the annual determination of remuneration of Executive Directors of the Board and Directors and / or senior managers on locally-determined pay, while
- ensuring that increases are not made where Trust or individual performance do not justify them
- be sensitive to pay and employment conditions elsewhere in the Trust, especially when determining annual salary increases
- monitor and assess the output of the evaluation of the performance of individual Executive Directors of the Board, and consider this output when reviewing changes to remuneration levels
- monitor procedures to ensure that existing Executive Directors of the Board are and remain 'fit and proper' persons as defined in law and regulation
- Review the Chair's appraisal of the Chief Executive, and with the latter, other Executive Directors of the Board and those reporting directly to the Chief Executive
- monitor and evaluate the performance of the Chief Executive and Executive Directors of the Board
- annual review of Associate Mental Health Act Managers remuneration.

4. Frequency and notice of Meetings

Meetings shall be called as required, but at least once in each financial year.

A formal agenda and supporting papers will be forwarded to all members, and those in attendance where appropriate, three working days prior to the date of the meeting.

The Executive Director of Human Resources will coordinate support to the Committee and liaise with the Trust Board Chair (Committee Chair), via the Director of Corporate Governance, to draw up the agendas.

	<p>The Committee will draw up an annual programme of those areas of its remit that may be planned and will undertake an annual review of the effectiveness of the Committee in relation to fulfilling its terms of reference.</p>
<p>5.</p>	<p>Membership</p> <p>The Committee should be composed of Non-Executive Directors / Associate Non-Executive Directors of the Board and the Trust Board Chair.</p> <p>When appointing or removing the Chief Executive, the Committee shall be the committee described in Schedule 7, 17(3) of the National Health Service Act 2006 as amended by the Health and Social Care Act 2012 (the Act) (that is all the Non-Executive Directors / Associate Non-Executive Directors of the Board).</p> <p>When appointing or removing the other Executive Directors of the Board the Committee shall be the committee described in Schedule 7, 17(4) of the Act (that is the Trust Board Chair, the Chief Executive and the Non-Executive Directors / Associate Non-Executive Directors).</p> <p>The Trust Board Chair shall Chair the Committee.</p> <p>Committee members shall be:</p> <ul style="list-style-type: none"> • The Trust Board Chair (voting) (who is also a Non-Executive Director for the purposes of quoracy) • All Non-Executive Directors (voting) and Associate Non-Executive Directors (non-voting) <p>The Chief Executive shall be an optional attendee when considering, appointing or removing the other Executive Directors of the Board (as detailed above).</p>
<p>6.</p>	<p>Attendees</p> <p>Only members of the Committee have the right to attend Committee meetings.</p> <p>At the invitation of the Committee, meetings shall normally be attended by the Executive Director of Human Resources and Director of Corporate Governance, with the Chief Executive an optional attendee (as detailed above).</p> <p>Other persons may be invited by the Committee to attend a meeting so as to assist in deliberations. Any non-member, will be asked to leave the meeting should their own conditions of employment be the subject of discussion. Where Executive Directors of the Board or senior management are involved in advising or supporting the Remuneration and Nomination Committee, care should be taken to recognise and avoid conflicts of interest.</p> <p>No Director should be involved in deciding his or her own remuneration.</p>
<p>7.</p>	<p>Quorum</p> <p>The Committee will be quorate when three Non-Executive Directors (voting) are present at the meeting. The Trust Board Chair (Chair of the Committee), is also a Non-Executive Director for the purposes of quoracy. The Trust Board Vice Chair may be required to Chair this Committee in the absence of the Trust Board Chair.</p>

8.	Minutes and Reporting Arrangements	
	<ul style="list-style-type: none"> • Formal minutes shall be taken of all Committee meetings. • The Committee will report to the Board after each meeting by way of a significant issues report. • The Committee shall receive and agree a description of the work of the Committee, its policies and all Executive Director of the Board emoluments in order that these are accurately reported in the required format in the Trust's Annual Report and Accounts. • Where remuneration consultations are appointed, a statement should be made available as to whether they have any other connection with the Trust. 	
9.	Meeting effectiveness review	
	<p>As part of the Board's annual performance review process, the Committee shall review its collective performance and that of its individual members and will provide an annual report on the work of the Committee for the Trust's Annual Report. The purpose of the review is to provide assurance to the Board on all areas within the remit of the Committee.</p>	
10.	Review to be conducted by Committee Chair (Trust Board Chair)	
	Date Committee established	
	Terms of Reference to be reviewed	The terms of reference of the Committee shall be reviewed by the Committee and the Board of Directors when required, but at least annually.
	Date of last review	June 2020
	Date of next review	June 2021

Approved by Remuneration and Nomination Committee
23-06-20