

## Nominations & Remuneration Committee Terms of Reference

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<b>Approved by</b>	Nominations and Remuneration Committee Trust Board
<b>Approving evidence</b>	
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<b>Target audience</b>	Nominations and Remuneration Committee Members and Attendees
<b>Links to other Procedural Documents</b>	Trust Board Terms of Reference and Trust Constitution
<b>Protective Marking Classification</b>	Subject to the FOI Act

## Version Control

<b>Date</b>	<b>Version</b>	<b>Author Name &amp; Designation</b>	<b>Summary of amendments</b>
August 2022	1.0	Angela Wendzicha, Director of Corporate Affairs	New Terms of Reference following amalgamation of the Nomination Committee and Remuneration Committee
July 2024	1.1	Daniel Hartley, Director of People	Review and update

<b>Title</b>	<b>Nomination and Remuneration Committee</b>
<b>Constitution</b>	1.1 The Nomination and Remuneration Committee (“the Committee”) is a standing Committee of the Trust’s Board of Directors (“the Board”).
<b>Authority</b>	<p>2.1 The Committee is authorised by the Board to act and investigate any activity within its terms of reference.</p> <p>2.2 It is authorised to seek any information it requires from any member of staff and those members of staff are directed to co-operate with any request made by the Committee.</p> <p>2.3 The Committee is authorised to instruct external professional advisers and request the attendance of individuals with relevant experience to attend if necessary.</p>
<b>Purpose &amp; Duties</b>	<p><b>Nomination Duties</b></p> <p>3.1 The Committee shall identify suitable candidates to fill Executive Director vacancies as required.</p> <p>3.2 Review on a regular basis the structure, size, diversity and composition (including skills, knowledge and experience) required of the Executive Directors and agree any changes.</p> <p>3.3 Give full consideration to and make plans for succession planning at Chief Executive and Executive Director level.</p> <p>3.4 Keep the leadership needs of the Trust under review at Executive Level to ensure the continued ability of the Trust to operate effectively within the health system.</p> <p>3.5 Where a vacancy is identified, prepare and agree a role description and person specification required for the particular post. In identifying suitable candidates, the Committee shall use open advertising and, if appropriate, the services of external advisors to facilitate the search.</p> <p>3.6 Consider whether suitable candidates meet the “fit and proper persons test” criteria set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.</p> <p>3.7 Be responsible for identifying and agreeing for appointment, candidates to fill posts following the recruitment process.</p> <p>3.8 Be responsible for identifying and agreeing a suitable candidate for the position of Chief Executive (this post is subject to the support of the Council of Governors).</p>

### **Performance Duties**

3.9 Receive reports on the performance of the Chief Executive and other Executive Directors against their agreed objectives and agree the performance assessment frameworks for individual Executive Directors and the Board of Directors as a whole.

3.10 Receive confirmation from the Chair in respect of the Chief Executive and from the Chief Executive in respect of the other Executive Directors on completion of their annual appraisals and of any issues that may have been identified.

3.11 Consider any matters relating to the continuation in office of any Executive Director at any time including the suspension or termination of service, subject to the provisions of law and their service contract.

### **Remuneration Duties**

3.12 Review the ongoing appropriateness and relevance of the Trust's Remuneration Policy.

3.13 Set the remuneration for all Executive Directors within the terms of the agreed Remuneration Policy and following consultation with the Chief Executive. This will include basic salary, pension rights (insofar as these fall within the Committee's powers), any benefits of any kind, any incentive arrangements and compensation commitments on early termination arrangements.

3.14 Consider the performance criteria and any upper limits for annual bonuses and incentive schemes including in the remuneration of Executive Directors.

3.15 Ensure the Committee is adequately informed of comparative levels of remuneration for Executive Directors and other Trust employees who may be contracted on terms which are not part of the national NHS terms and conditions such as 'agenda for change'.

3.16 Establish levels of remuneration which are sufficient to attract, retain and motivate Executive Directors of the quality and with the skills and experience required to lead the Trust successfully.

3.17 Ensure compliance with the requirements of HMRC and regulators such as NHS England with regard to severance pay and or other payments outside of contractual obligations. The Committee must be satisfied that such payments are in the best interest of the Trust and represents value for money. The Committee must therefore:

- Satisfy itself that it has the relevant information before it, to make a decision to approve a submission for payment outside of contractual obligations;
- Consciously discuss and assess the merits of the case;

	<ul style="list-style-type: none"> <li>➤ Consider the payment or payment range being proposed and addressing whether it is appropriate, taking into account the issues set. The Committee should only approve such payment which it considers to be in the public interest and in accordance with HMT guidance “Managing Public Money”.</li> <li>➤ Keep a written record summarising its discussions and decision; and</li> <li>➤ Monitor redundancy/capitalised pension costs for all staff groups and to approve any redundancy/capitalised pension costs in excess of £100,000.</li> </ul> <p>3.18 To monitor compliance with IR35/ off payroll requirements.</p>
<b>Membership</b>	<p>The Committee members shall comprise:</p> <ul style="list-style-type: none"> <li>➤ Chair of the Trust (Chair of the Committee)</li> <li>➤ All other Non-Executive Directors</li> </ul>
<b>Attendees</b>	<p>The following will be in attendance at the Committee:</p> <ul style="list-style-type: none"> <li>➤ Chief Executive (is a member when appointing or appraising other Executive Directors)</li> <li>➤ Executive Director of People</li> </ul>
<b>Quorum</b>	<p>The quorum shall be made up of three members of the Committee including the Chair or nominated Deputy.</p>
<b>Observers</b>	<p>Meetings are not open to the public or members of the Council of Governors. Observers may be invited to attend from time to time for specified matters with the express approval of the Chair of the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee will meet at least twice per year with ad hoc meetings as required by the business.</p>
<b>Meeting administration</b>	<p>Notice of the meetings will be given at least seven working days in advance of the meeting unless exceptional circumstances ensue.</p> <p>The Executive Director of People will support the Chair and the Chief Executive in the management of the Committee’s business.</p>
<b>Operational Groups which report into the Committee/Group</b>	<p>There are no operation groups which report into the Committee.</p>
<b>Monitoring and review</b>	<p>The Terms of Reference will be subject to annual review.</p> <p>The Committee will undertake an annual review of its performance, via self-assessment by its members and any agreed actions, will be reported to the Trust Board</p>