

Committee Terms of Reference



North Bristol
NHS Trust

Remuneration and Nominations Committee Terms of Reference

Purpose - The Committee is established to advise on the appointment of the chief executive and executive directors; and to determine the remuneration and terms of service for the Trust's chief executive and executive directors. It will also advise the Board on the size, structure and membership of the Trust Board and executive directors.

Date Adopted

25 May 2017

Review Frequency

Annual

Core Accountabilities

Terms of reference drafting

Trust Secretary

Review and approval

Remuneration and Nominations Committee

Adoption and ratification

Trust Board
Trust Chairman

1. Authority

- 1.1. In accordance with the requirements of the National Health Service Trusts (Membership and Procedure) Regulations 1990 (as amended) ("The Regulations") the Board hereby resolves to establish a committee of the Board to be known as the Remuneration and Nominations Committee ("the Committee").
- 1.2. The Committee is constituted as a standing committee of the Trust Board. Its constitution and terms of reference shall be as set out below; and will be subject to amendments approved by the Trust Board.
- 1.3. The Committee is authorised to seek information it requires from any employee of the Trust. All members of staff are directed to co-operate with any request made by the Committee. The Committee is authorised to obtain legal or other independent professional advice and to secure the attendance of such outsiders with relevant experience and expertise that it considers necessary.
- 1.4. The Committee is authorised by the Board to make decisions within its terms of reference, including matters specifically referred to it by the Board.

2. Membership and attendance at meetings

Membership

- 2.1. In accordance with the Regulations, the membership of the Committee will consist of all of the Non-Executive Directors of the Trust. No deputies can be appointed.
- 2.2. A Non-Executive Director will chair the meetings of the

Committee. In the absence of appointed Committee Chairman, another Non-Executive Director will chair the meeting.

Quorum

2.3. Quorum will be achieved through the presence of three members of the Committee. Quorum must include the Trust Chairman, for decisions relating to the appointment and position of the Chief Executive.

Attendance

2.4. On invitation from the Chairman of the Committee, meetings may be attended by:

- the Trust Chief Executive
- the Director of People and Transformation, (or equivalent executive lead for the Trust with responsibility for the human resources functions of the Trust)
- any other person who has been invited to attend the meeting by the Committee Chairman

3. Roles and responsibilities

Remuneration and terms of service

3.1. The Committee will operate within the Trust’s approved scheme of delegations, to:

- approve the remuneration and terms of service of the Chief Executive and executive directors (and if applicable senior managers on locally-determined pay outside of Agenda for Change rules) during the recruitment

process; and on appointment.

- recommend and monitor the level and structure of remuneration and any compensation payments, and to note pension entitlements, for the Chief Executive and executive directors (and if applicable senior managers on locally-determined pay outside of Agenda for Change rules)
- advise upon and oversee contractual arrangements for the Chief Executive and executive directors (and if applicable senior managers on locally-determined pay outside of Agenda for Change rules)
- approve the submission, to the NHS Improvement (NHSI), of proposed severance and termination payments for the Chief Executive and executive directors (and if applicable senior managers on locally-determined pay outside of Agenda for Change rules)
- to ensure that a robust and effective process is in place to meet the requirements of the Fit and Proper Persons Test for all existing and future director (Executive and Non-Executive) appointments

3.2. The Committee will consider:

- key contractual terms of appointment, such as length of contract and arrangements for termination
- all aspects of remuneration including pension and other emoluments, including performance related pay
- provision of other benefits, including cars and allowances, including relocation allowances

3.3. When setting remuneration, the Committee will take account of the need to seek to attract and retain individuals of the necessary calibre, having regard to the needs of the Trust, and

any relevant national and local benchmarking information.

Nominations

3.4. The Committee will:

- review annually the effectiveness of the Trust Board, including its 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 the likely future needs of the Trust
- make plans for preparing the succession for all Board member roles including the Chairman, Non-Executive Directors, Chief Executive, and other executive directors
- approve the process for identifying and nominating candidates for appointment to posts at executive director level
- approve the process for identifying and nominating a candidate, to fill the position of Chief Executive
- consider any matter relating to the continuation in office of any executive director, including their suspension or termination of service as an employee of the Trust

3.5. The Committee will consider the performance of the Trust Board and will receive and review the results of the annual appraisal of the Chief Executive, carried out by the Chairman; and the annual appraisals of the executive directors, carried out by the Chief Executive.

3.6. The Committee will report the results of the annual assessment of the performance of the Chief Executive to NHS Improvement, in accordance with the Authority's instructions:

specifically, the Committee will agree the performance category that the Chief Executive is assessed to have achieved (outstanding; exceeds expectations; satisfactory; or not satisfactory); and report this to the NHSI within the timescales set.

- 3.7. The Committee will review the extent to which directors have achieved their objectives for the past year and advise on the objectives set for the Chief Executive and executive directors for the forthcoming year, taking into account its assessment of the effectiveness of the Board and its strengths and weaknesses.
- 3.8. Before an appointment is made, the Committee will evaluate the balance of 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.
- 3.9. The Committee will ensure that the appointment process is designed to attract the best candidates, through use of a range of open advertising or the services of external advisers to facilitate the search. The Committee will seek to consider candidates from a wide range of backgrounds and will consider candidates on merit against objective criteria.
- 3.10. The Committee will approve any temporary or interim arrangements for appointing the Chief Executive and executive directors. It will ensure that the appointment of acting directors for absent executive directors, or vacant posts complies with constitutional requirements.
- 3.11. The Committee will ratify any matters relating to the continuation in office of any executive director at any time including the suspension or termination of service of an executive director as an employee of the Trust subject to the provisions of the law and their service contract
- 3.12. The Committee will make any recommendations to the Board

on any Board restructuring proposals

4. Conduct of business

- 4.1. The Trust Secretary will provide the administrative support to the Committee and will be the secretary to the Committee. The Trust Secretary will:
- provide timely notice of meetings
 - forward agendas and supporting documents to members and attendees in advance of the meetings
- 4.2. In exceptional circumstances, the Chairman of the Committee may make other arrangements for secretarial support in instances where the confidentiality of information and discussion dictates. As a minimum, the record of these meetings must be sent to the Trust's external auditor.

Frequency

- 4.3. The Committee shall meet every six months at least. Further meetings can be called at the request of the Committee Chairman, or on the advice of the Director of People and Organisational Health
- 4.4. Meetings will be held whenever a board appointment, removal of a director, or a board restructuring is proposed.

Notice of meetings

- 4.5. The annual meeting of the Committee will be set in advance as part of the planning of the Trust Board and Committee meetings annual calendar.
- 4.6. An agenda of items to be discussed will be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers will be sent to Committee

members and to other attendees as appropriate, at the same time.

- 4.7. In normal circumstances, a minimum notice period of two weeks must be given for any other meetings of the Committee. Emergency meetings can be arranged, at shorter notice, if this is approved and evidenced as such, by the majority of the members of the Committee.

5. Decisions of the Committee

- 5.1. Decisions may be taken by written resolution upon the agreement of the majority of members of the Committee in attendance, subject to the rules on quorum stated earlier.

6. Reporting

- 6.1. Formal minutes of Committee meetings will be recorded.
- 6.2. Full minutes of the Remuneration Committee will be sent in confidence to all members of the Committee, regardless of whether they attended. These shall also be made available, on request, to the NHS Trust Development Authority and the Trust's internal and external auditors.
- 6.3. The Trust Secretary will prepare a report of the decisions of the Remuneration Committee which will be presented to the Trust Board following each meeting. The report will address the main items discussed and decisions made by the Committee. The report will confirm that the Committee has discharged its responsibilities, as set out in these terms of reference. The report will not include specific detail relating to individuals or the deliberations of the Committee.
- 6.4. The Committee will ensure that board of directors'

emoluments are accurately reported in the required format in the Trust's annual reports.

- 6.5. The Committee will produce an annual report of the Trust's remuneration policy and practices which will form part of the Trust's annual report.

7. Review

- 7.1. The Committee will review these terms of reference annually. This review will include a self-assessment of its effectiveness in discharging its responsibilities as set out; and in delivering against the needs of the Trust. Its conclusions and recommendations for change will be reported for approval to the Board.