

1. Purpose

- 1.1 The Committee is constituted as a committee of the Board to be known as Board Remuneration Committee (the Committee) and has the powers either specifically delegated in these Terms of Reference or the Trust's scheme of delegation.

2. Authority

- 2.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference and to seek any information it requires from any employee and all employees are directed to cooperate with any requests made by the Committee.
- 2.2 The Committee is authorised by the Board to obtain legal or other independent advice and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

3. Membership

- 3.1 The Committee shall be appointed by the Board and shall include a minimum of 4 Non-executive Directors.
- 3.2 The following staff may attend meetings of the Committee:
- The Chief Executive
 - The Director of Human Resources and Business Support

Neither shall be present at discussion about his/her own remuneration, terms and conditions of service and performance.

The Committee may invite members of the governors' Nominations Committee to attend, as appropriate, particularly when discussing the appointment of a Non-Executive Director.

4. Quorum

- 4.1 A quorum shall be 3 members, including the Chairman of the Committee.

5. Appointment of Committee Chair and Members

- 5.1 The Trust Chair shall recommend which Non-Executive Directors will be most suitable for nomination as Chairs and/or members of the Committee. The Board of Directors shall approve the appointment of the Committee Chair and Non-Executive members, based on the Chair's recommendations.

6. Duties

6.1 The Committee will:

(a) Appointments role

- 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 Nominations 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 Board directors 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;
- ensure that a proposed executive director is a 'fit and proper' person as defined in law and regulation;
- ensure that a proposed executive director'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 directors' 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 to reflect a departing director's obligation to mitigate loss. Appropriate claw back provisions should be
- considered in case of a director 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

(b) Remuneration role

The Committee will:

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

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 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 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 and 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, and consider this output when reviewing changes to remuneration levels;
- monitor procedures to ensure that existing directors are and remain 'fit and proper' persons as defined in law and regulation.

7. Frequency of meeting

- 7.1 Meetings shall be held at least two times per year, in accordance with an established cycle.

8. Minutes and Reporting

- 8.1 Agendas and papers should be prepared and circulated in accordance with the Trust Constitution.

9. Conduct of Business

- 9.1 The Company Secretary is responsible for advising the Committee on appropriate structure, process and reporting requirements.
- 9.2 The Terms of Reference of the Committee shall be reviewed by the Board of Directors at least annually.