

Remuneration Committee Terms of Reference

Purpose	The Board of Directors has agreed, in line with the Trust constitution, the establishment of the Remuneration Committee to fulfil the responsibilities of the Board of Directors with respect to remuneration and terms of service for Executive Directors including the Chief Executive and other very senior managers (VSM) as set out in the Code of Governance.
Main Duties	<p>Remuneration</p> <ol style="list-style-type: none"> 1. The Committee will take proper account of National Agreements, for example Agenda for Change and guidance issued by the Department of Health, and NHS Improvement in reaching their determinations. 2. To develop a remuneration policy for Executive Directors including the Chief Executive and very senior managers (VSM) for the Trust; determining levels of remuneration that are sufficient to attract and retain Executive Directors whilst remaining cost effective. 3. To ensure the remuneration policy is in line with NHS Improvement VSM pay rules and pay benchmarking. 4. To review and approve Executive remuneration and terms of service. 5. To scrutinise and approve decisions related to payments for redundancy for Executive Directors, including the Chief Executive and other very senior managers (VSM) not covered by nationally negotiated pay arrangements and as adopted by the Trust. 6. To approve decisions related to payments for redundancy covered by nationally negotiated pay scales adopted by the Trust if they are above the threshold that can be signed off by the Chief Executive as specified in the scheme of delegations. 7. To receive assurance on the process for awarding merit awards for medical staff under the Clinical Excellence Awards scheme. 8. To consider the development of any performance related pay element, in line with NHS Improvement VSM pay policies. This will include the basis on which performance would be

	<p>measured and ensuring robust processes are in place to ensure fair application.</p> <p>Performance</p> <p>9. To review and approve the process for performance evaluation of Executive Directors including the Chief Executive.</p> <p>10. To receive the outcome of the mid-year and annual performance evaluations undertaken for each individual Executive Director including the Chief Executive.</p> <p>Leadership</p> <p>11. To keep under review the leadership needs of the organisation, both Executive and Non-Executive, advising the Board on leadership development to ensure the continued ability of the Trust to fulfil its strategic and statutory requirements</p> <p>12. To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes; reflecting the needs of the national equality and diversity strategy and the NHS People Plan 2020.</p> <p>13. To regularly review the board development programme, who is to be developed on the basis of individual and collective training needs assessments, and to make recommendations to the Board on further areas of development and how this should be delivered.</p> <p>14. To receive annual assurance on the Fit and Proper Test status of all Executive and Non-Executive Directors.</p> <p>15. To review and approve the chairmanship of Board committees.</p> <p>Independent Information & Advice</p> <p>16. The Committee may seek such independent information as may be necessary to enable the committee to fulfil its responsibilities effectively and ensure the Trust acts in accordance with the law and best practice guidance on remuneration and terms of service of Executive postholders.</p> <p>17. The committee may appoint independent specialist advisors to assist the committee in fulfilling its purpose.</p>
<p>Level of Authority</p>	<p>Decision making in relation to pay and terms of service of Executive postholders and other very senior managers (VSM).</p>

	<p>Approval of decisions related to payments for redundancy covered by nationally negotiated pay scales adopted by the Trust if they are above the threshold that can be signed off by the Chief Executive as specified in the scheme of delegations.</p> <p>Approval of any payments arising from VSM settlement agreements made under employment law provisions.</p>
Level of Financial Authority	The Company Secretary shall ensure the work of the committee is funded including any payments for independent specialist advisors.
Reports Received	Any internal and external reports necessary to enable the committee to fulfil the above responsibilities.
Reports to	<p>Board of Directors.</p> <p>Council of Governors and members of the public through a committee and remuneration report included as part of the Trust's statutory annual report and accounts.</p>
Links to Other Committees	Executive Appointments Committee
Status	Statutory
Frequency and Duration	At least twice a year.
Minimum Required Attendance	1 out of 2 meetings or 80% of meetings if more meetings are held.
Chair	Non-Executive Director
Vice Chair	Non-Executive Director
Membership	<p>Chairman and 3 other Non-Executive Directors</p> <p><i>If a meeting would not otherwise be quorate because one or more Non-Executive Director(s) members are absent, the Chair in consultation with the Company Secretary will ask alternate Non-Executive Director(s) to attend in their place.</i></p>
In Attendance	<p>Chief Executive</p> <p>Director of Workforce and Organisational Development</p> <p>Company Secretary</p> <ul style="list-style-type: none"> <i>The above officers of the Trust will remove themselves from the meeting when their own remuneration or performance is discussed.</i>

Standing Agenda Items	<i>see business plan</i>
Minute-taker	Company Secretary
Archive responsibility	Company Secretary
Quorum	2 Non-Executive Directors
Process for Compliance with ToRs	Annual review of attendance. Statutory remuneration disclosures. Annual review of committee effectiveness

Agreed date: 18 August 2020

Endorsed by: Board of Directors

Date of endorsement: TBC

Date of review: August 2021

Date of expiry: August 2023