

## Board of Directors Nominations and Remuneration Committee Terms of Reference

*Please note that all references to Executive Directors in these terms of reference are to be taken to include the Chief Executive unless specifically indicated otherwise.*

### 1. Constitution

The Board of Directors (the “Board”) hereby resolves to establish a Committee of the Board to be known as the Board of Directors’ Nominations and Remuneration Committee (the “Committee”). The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

### 2. Terms of Reference

#### Nominations Role

2.1. The Committee shall, in respect of nominations:

2.1.2 Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Executive Directors and make recommendations to the Board with regard to any changes.

2.1.3 Give full consideration to and make plans for succession planning for Executive Directors taking into account the challenges and opportunities facing the NHS Foundation Trust and the skills and expertise needed on the Board in the future.

2.1.4 Be responsible for identifying and nominating for appointment, candidates to fill posts within its remit as and when they arise.

2.1.5 Be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of Chief Executive.

2.1.6 Ensure that Executive Directors meet the requirements of the ‘Fit and Proper’ Persons Test.

2.1.7 Before an appointment is made, 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. 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.

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- 2.1.8 Consider any matter relating to the continuation in office of any Executive Director at any time, including the suspension or termination of service of an individual as an employee of the NHS Foundation Trust.
- 2.1.9 To consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of its responsibilities.

### **Remuneration Role**

2.2 The Committee shall in respect of remuneration:

- 2.2.1 Establish and keep under review a remuneration policy for Executive Directors.
- 2.2.2 Consult the Chief Executive about proposals relating to the remuneration of Executive Directors.
- 2.2.3 In accordance with all relevant laws, regulations and the NHS Foundation Trust's policies, determine the terms and conditions of office of the Executive Directors, including all aspects of salary and any performance related pay or bonus and the provision of other benefits (for example, cars, allowances or payable expenses).
- 2.2.4 Shall determine the levels of remuneration and terms of employment for Executive Directors to ensure they are fairly rewarded for their individual contribution to the NHS Foundation Trust – having proper regard to the NHS Foundation Trust's circumstances and performance and to the provisions of any national arrangements for such staff.
- 2.2.5 Use national guidance and market benchmarking analysis in the annual determination of remuneration of the Executive Directors.
- 2.2.6 Approve the arrangements for the termination of employment of any Executive Director and other contractual terms, having regard to any national guidance.
- 2.2.7 Approve contractual payments over £50,000 to all staff.
- 2.2.8 Approve any non-contractual severance payments to all staff.
- 2.2.9 Ensure that any proposed compromise agreement is justified and that it is drafted in such a way as not to prevent proper public scrutiny by Monitor, the Department of Health or external auditors.
- 2.2.10 Oversee the performance review arrangements for the Executive Directors ensuring that each Executive Director receives an annual appraisal.

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### 3 Membership and attendance

3.1 The membership of the Committee comprises:

- Chairman of the Board (Chair)
- All Non-Executive Directors
- The Chief Executive shall be a member but will withdraw from the meeting during any discussions regarding his/terms terms of condition and remuneration.

3.2 Director of Human Resources shall normally be invited to attend meetings in an advisory capacity. Other members of staff and external advisers may attend all or part of a meeting by invitation of the committee chair where required.

### 4 Quorum

4.1 No business shall be transacted at a meeting unless the Chairman or Vice Chairman or Senior Independent Director and three Non-Executive Directors are present for the whole meeting.

### 5 Frequency of meetings

5.1 The committee shall meet at least once a year.

### 6 Authority

6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

6.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

### 7 Monitoring Effectiveness

7.1 The Committee will undertake an annual review of its performance against its work plan in order to evaluate the achievement of its duties.

### 8 Other Matters

8.1 The Committee shall be supported administratively by the Executive Assistant Manager to the Chairman and Chief Executive, whose duties in this respect will include:

- Agreement of the agenda with the Chairman;

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- Collation and distribution of the papers;

8.2 The Trust Board Secretary will minute the meeting.

## 9 Review

9.1 These terms of reference will be reviewed at least annually as part of the monitoring effectiveness process.

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