

## Remuneration Committee Terms of Reference

### 1. Constitution

The Remuneration Committee is formed under formal resolution of the Trust Board as follows:

The Trust Board hereby resolves to establish a sub-committee to be known as the Remuneration Committee. The Remuneration Committee holds only those executive powers as delegated in these Terms of Reference.

### 2. Membership

The Committee comprises

- The Board Chair
- All Non-executive Directors

The Chief Executive or other Executive Directors, will be invited to attend the Committee in an advisory capacity, but will withdraw when a matter concerning his/her remuneration package or other matter of individual confidentiality is being discussed or documented.

The Director of Human Resources will typically attend the Committee as adviser.

### 3. Attendance

No business shall be transacted unless the Chair of the Board (or Vice Chair) and two Non-executive Directors are present for the whole meeting.

### 4. Administration

The Trust Secretary will ensure appropriate support is afforded the Committee.

### 5. Frequency

The Remuneration Committee will meet as required by the Chair of the Board and at least twice per year.

### 6. Authority

The Committee is authorised to investigate any activity within its terms of reference. In particular it may:

- Seek advice from whatever source it deems to be appropriate.
- Authorise the Chief Executive and Director of Human Resources to implement remuneration packages approved by the Committee, providing

the sums are within delegated powers in the Standing Orders and Standing Financial Instructions.

## **7. Core Duties**

- The Remuneration Committee reports directly to the Trust Board in advising it about appropriate remuneration, performance, development and succession planning, and terms of service for the Chief Executive and Board Directors, guided by NHS policy and best practice. Advice to the Board on remuneration includes all aspects of salary as well as arrangements for termination of employment and other contractual terms.
- To agree a framework with the Board on how the Remuneration Committee will make its decisions and recommendations and approve a pay policy statement, which will act as a guide to decision-making.
- To report to the Trust Board recommendations given by the Remuneration Committee on the succession planning and remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors, to ensure that they are fairly motivated and rewarded for their contribution to the organisation – having proper regard to the organisation's circumstances and performance and to the provision of national arrangements.
- To monitor and evaluate the performance and development of the Chief Executive and, on the advice of the Chief Executive, the Executive Directors.
- To oversee appropriate contractual arrangements for the Chief Executive and Executive Directors including the proper calculation and scrutiny of termination payments taking account of such national guidance as appropriate for Board level posts.
- To make decisions on termination payments or settlement of employment claims for any employees where such payment exceeds two years' salary, and to be consulted over difficult settlement issues which involve either substantial concerns regarding reputation, or large sums of money.
- The Chief Executive is responsible for ensuring that the Director of Human Resources forwards relevant information in a timely manner to enable the Committee to discharge its functions, and takes appropriate follow up action.