

**REMUNERATION COMMITTEE
TERMS OF REFERENCE**

References to “the Committee” shall mean the Remuneration Committee.

References to “the Board” shall mean the Board of Directors.

Committee Status	<p>It is a statutory requirement that the Trust has a Remuneration Committee.¹</p> <p>The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference, and subject to amendment at future Board meetings.</p> <p>The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it consider this necessary for or expedient to the exercise of its functions.</p> <p>The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.</p>
Reporting	<p>The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.</p> <p>The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.</p> <p>The Committee shall receive and agree a description of the work of the Committee, its policies and all executive director emoluments in order that there are accurately reported in the required format in the Trust’s annual report and accounts.</p>
Purpose	<p>The Committee has delegated responsibility for determining remuneration for all executive directors, including pension rights and any compensation payments.</p> <p>The Committee will also determine payments to any member of staff across the organisation when Scheme of Delegation, and similar schemes, are applicable.</p> <p>It will be responsible for the approval of remuneration or other awards made outside of contractual obligations only with the approval of HM Treasury, where applicable.</p>
Membership	<p>Members of the Committee shall be appointed by the Board, . The Committee shall be made up of at least 3 members, all of whom are independent non-executive directors.</p> <p>Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Director of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.</p>

¹ §18(2), Schedule 7, National Health Service Act 2006
Approved by Board of Directors on 27 May 2015

	<p>Appointments to the Committee shall be for a period of up to three years, which may be extended, provided the director remains independent and subject to the overall length of appointment as a non-executive director.</p> <p>The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.</p>
Secretary	The Foundation Trust Secretary, or nominee, shall attend the meetings and act as Secretary of the Committee.
Quorum	<p>The quorum necessary for the transaction of business shall be 3.</p> <p>A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
Members duties	<p>Within the delegated terms of reference, all Committee members shall:</p> <ul style="list-style-type: none"> • Abide by the Committee's attendance requirements; • Abide by the Committee's training requirements; • Contribute accordingly to ensure that the Committee's duties and objectives are met; • Participate in the Committee's annual performance review. <p>In addition, the Chairman of the Committee or his Deputy shall attend the Trust's Annual General Meeting prepared to respond to any questions on the Committee's activities.</p>
Required frequency of attendance by members	Members will be required to attend as a minimum, 2 out of 3 meetings held per calendar year. However, members should consider that attendance at meetings is necessary.
Frequency of Meetings	The Committee shall meet at least three times a year as appropriate and at such other times as the Chairman of the Committee shall require.
Public admission	Meetings are not open to the public.
Meeting administration	<p>Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members.</p> <p>Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, unless a conflict of interest arises.</p> <p>Meetings may be held by email or telephone conference, or by other telecommunication methods.</p> <p>The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.</p> <p>Minutes of Committee meetings shall be circulated promptly to all members of the Committee.</p>

Committee's Duties / Objectives	<p><u>The Committee shall, within the terms of its reference:</u></p> <ol style="list-style-type: none"> 1. Establish and keep under review a remuneration policy in respect of executive board directors 2. Consult the Chief Executive about proposals relating to the remuneration of the Trust's other executive directors². No executive director shall be involved in any decisions relating to the setting of their own remuneration³; 3. In accordance with all relevant laws, regulations and Trust policies, decide and keep under review the terms and conditions of the office of the Trust's executive directors, including: <ul style="list-style-type: none"> - Salary, including any performance related pay; - Provision for other benefits include pensions and cars; - Allowances; - Payable expenses; and compensation payments. 4. In adhering to all relevant laws, regulations and Trust policies: <ul style="list-style-type: none"> - 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; - Use national guidance and market benchmarking analysis in the annual determination of remuneration of executive directors which 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. 5. Monitor and assess the output of the evaluation of the performance of individual directors and consider this output when reviewing changes to remuneration levels; 6. Advise upon and oversee contractual arrangements for executive directors, including but not limited to, termination payments to avoid rewarding poor performance. <p>7. Will review any matter as instructed to do so by the Board of Directors.</p>
Training	<p>The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members, as the Committee considers appropriate</p>
Monitoring and review	<p>The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.</p>

² Monitor's NHS Foundation Trust Code of Governance, E.2 supporting principle.

³ The Healthy NHS Board: Principles for Good Governance, pg 14, NHS / National Leadership Council, February 2010
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