

## **REMUNERATION COMMITTEE**

### **COMPOSITION AND TERMS OF REFERENCE**

#### **1. Composition**

- 1.1 The Committee shall comprise of the Trust's Chairman and all Non-Executive Directors. No business shall be transacted at a meeting unless the Chairman of the Board (or Vice Chairman) and three Non-Executive Directors are present for the whole meeting. Membership of the Committee will be reviewed annually.

The membership of the Committee and other mandatory information will be published in the Annual Report as determined by the Board of Directors.

- 1.2 The Chief Executive will be invited to attend the Committee in an advisory capacity but he/she will be required to withdraw when a matter concerning his/her remuneration package or other matter of individual confidentiality is being discussed or documented.
- 1.3 The Director of Workforce and Organisational Development will also attend the Committee as an adviser but he/she will be required to withdraw when a matter concerning his/her remuneration package or other matter of individual confidentiality is being discussed or documented.
- 1.4 The Director of Workforce and Organisational Development will be responsible for providing comparative pay information and for minuting the meetings. The minutes shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be agreed by those attending.

#### **2. Conduct of the Committee**

- 2.1 The Chairman will make reference to Remuneration Committee meetings at the Board of Directors' meeting.
- 2.2 All meetings of the Committee will be minuted.

#### **3. Frequency**

- 3.1 The Committee will meet as and when necessary and not less than once a year, or at the request of three Non-Executive Directors of

the Trust. The Chief Executive and the Director of Workforce and Organisational Development also have the right to request a meeting of the Committee. The Committee will usually meet in March each year to determine remuneration levels for Executive Directors effective from 1 April each year.

3.2 Meetings will be subject to 7 days' notice.

#### **4. Authority**

4.1 The powers of the Committee shall be such as may be delegated to it by the Board of Directors on all matters relating to remuneration.

#### **5. Aims and Objectives**

5.1 To make such recommendations to the Board of Directors on remuneration, allowances and terms of service to ensure that Directors are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisation's circumstances and performance and to the provisions of any national agreements where appropriate.

5.2 To monitor and evaluate the performance and development of the Chief Executive and all Executive Directors.

5.3 To advise on and oversee appropriate contractual arrangements for the Chief Executive and all Executive Directors including:

5.3.1 The proper calculation and scrutiny of termination payments in the light of appropriate guidance as is appropriate.

5.3.2 All aspects of salary.

5.3.3 Provisions for other benefits, including removal expenses, pensions and lease cars.

5.4 To advise the Board of Directors on pay policy and other contractual matters for the Chief Executive and all Executive Directors.

#### **6. Duties**

The duties of the Committee shall be to determine, on behalf of the Board of Directors, the following:

##### **Pay & Conditions**

6.1 The pay and conditions of the Chief Executive and Executive Directors.

6.2 Individual Director's performance against objectives.

6.3 Termination packages, including overseeing appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments; taking account of such national guidance as is appropriate.

6.4 To seek advice from whatever source it deems to be appropriate.

## **7. Policy Determination and Good Practice**

In undertaking its duties and functions, the Committee shall give proper regard to the following matters:

7.1 Adopting policies on:

7.1.1 Pay.

7.1.2 The position of salaries in the market place.

7.1.3 Remuneration packages to enable people of appropriately high ability to be recruited, retained and motivated, within levels of affordability.

7.2 Internal and external information to be made available on:

7.2.1 The performance of the Chief Executive and other Directors.

7.2.2 Trends in pay and conditions elsewhere.

7.2.3 The levels of remuneration offered by similar organisations.

7.2.4 Consideration of the environment in which the organisation is operating with regard to such factors as:

- The local labour market.
- The competitiveness of the market place in which the organisation operates.
- The effectiveness of various human resource policies and practices.
- Sources of external information, provided by external agencies such as CAPITA, NHS Providers or Incomes Data Services.

**8. Reporting**

8.1 The Chairman will make reference to Remuneration Committee meetings at the Board of Directors' meeting.

8.2 The minutes of the Committee meetings shall be recorded and only discussed within the confidential Board of Directors' meeting agenda, and submitted to members of the Committee, given the confidential nature of the business transacted.

**9. Review Date**

9.1 The terms of reference of the Committee will be reviewed annually for approval by the Board of Directors.

April 2017