

REMUNERATION COMMITTEE

TERMS OF REFERENCE – FEBRUARY 2019

1. Purpose and status

The Remuneration Committee (the Committee) has been established by the Board of Directors (the Board) of Gloucestershire Hospitals NHS Foundation Trust (the Trust).

The purpose of the Committee is to deal with all matters concerning remuneration and terms of service of Executive Directors.

2. Authority

The Committee has delegated authority to act on behalf of the Board on matters concerning the remuneration and terms of service of Executive Directors. Executive Directors include both voting and non-voting Main Board Executive Directors.

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 considers this necessary for or expedient to the exercise of its functions. The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

3. Responsibilities

The Committee will:

A. Appointments Role

- Periodically review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making use of the output of the Board evaluation process as appropriate, and make recommendations to the Board, and Governance and Nominations Committee of the Council of Governors, as applicable, with regard to any changes.
- Give full consideration to and make plans for succession planning for the Chief Executive taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future.
- Appoint candidates to fill all the Executive Director positions on the Board.
- Consider any matter relating to the continuation in office of any Executive Director including the suspension or termination of service of an individual as an employee of the Trust, subject to the provisions of the law and their service contract.
- Dismiss Executive Directors, where appropriate.

B. Remuneration Role

- Monitor and evaluate the performance of the Chief Executive through the appraisal process of the Chief Executive conducted by the Chair.
- Discuss and, if appropriate, confirm the assessments made of performance related pay by the Chair for the Chief Executive and by the Chief Executive for the other Executive Directors.
- Determine pay rises and review the need for any other adjustments.
- Determine clawback for underperformance as mentioned in executive contracts of employment.

- Decide and keep under review the terms and conditions of office of the Trust's Executive Directors and determine the application of the all-staff terms and conditions of service to Executive Directors.
- Advise on and oversee appropriate contractual arrangements for Executive Directors, including any termination payments.

4. Membership

Members

The Committee shall comprise:

Chair of the Trust (who shall be the Committee Chair)

Vice Chair of the Trust (who shall be the Vice Chair)

The Non-Executive Directors

When appointing or removing the Chief Executive, the Committee shall be the Committee described in Schedule 7, 17(3) of the National Health Service Act 2006 as amended by the Health and Social care Act 2012 (the Act) (that is all the Non-Executive Directors).

When appointing or removing the other Executive Directors the Committee shall be the Committee described in Schedule 7, 17(4) of the Act (that is the Chair of the Trust, the Chief Executive and the Non-Executive Directors).

Attendees

The Committee may decide that any other person must attend one or all of its meetings to contribute to discussions but no such person shall form part of the quorum nor have decision-making authority. The following post-holders have a standing invitation to attend the Committee meetings:

Chief Executive

Any non-member will be asked to leave the meeting should their own conditions of employment be the subject of discussion.

5. Accountability and Reporting

Accountability

The Committee shall report to the Board on how it discharges its responsibilities.

Once approved by the Committee, the minutes should be circulated to the Board unless it would be inappropriate to do so.

The Committee will review its effectiveness at least annually.

Reporting in

The following groups will report into the Committee:

Not applicable.

6. Conduct of business and administrative matters

The Committee shall conduct its meetings in accordance with these Terms of Reference and any other Trust governance requirements that apply to it (subject to below).

Any member who has a conflict of interests in respect of any matter shall not count in the quorum for the Committee's discussions and any decisions in respect of that matter.

The quorum for the Committee's meetings shall be the Chair or Vice Chair plus two other members.

The Committee shall determine the frequency of its meetings as required to allow it to discharge all of its responsibilities. It is expected the Committee shall meet at least once in each financial year.

The Chair may request an extraordinary meeting at any time if they consider one to be necessary.

The agenda and any papers for the Committee's meetings shall be issued not less than five working days before each meeting.

Minutes shall be taken of each of the Committee's meetings and shall be circulated to the members within timescales agreed by the Committee.

The Committee may agree that its members can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.

Administrative support, including retention of meeting papers and other relevant documents, shall be provided by the Corporate Governance Manager.

7. Approval and Review

These ToR were approved by the Board on [...].

These ToR were adopted by the Committee at its meeting on [...].

These ToR shall be reviewed at least annually.

Version Control			
Version	Author	Date	Changes
0.1	Lukasz Bohdan	10-01-2019	First draft
0.2	Lukasz Bohdan	08-02-2019	Amendments made following Remuneration Committee feedback