

Remuneration and Nomination Committee

Terms of Reference

1. Constitution

- 1.1. The Remuneration and Nomination Committee is constituted as a standing Committee of each of the University Hospitals Bristol and Weston NHS Foundation Trust Board of Directors and the North Bristol NHS Trust Board of Directors (hereafter collectively referred to as “the Boards”). The Remuneration and Nomination Committee (hereafter referred to as “the Committee”) operates as Committees in Common of both Boards.
- 1.2. The Committee executive powers, other than those specifically delegated by the Boards in these Terms of Reference which are incorporated within each Trust’s Standing Orders.

2. Purpose

- 2.1. The Committee is responsible for identifying and appointing candidates to fill all the Executive Director positions on the Board and for determining their remuneration and other conditions of service.
- 2.2. The scope of the Committee covers:
- **Nomination:** composition of the Board, succession planning, appointment process, continuation in office of executive directors, significant commitments and conflicts of interest.
 - **Remuneration:** remuneration policy, individual remuneration packages, levels of remuneration, terms and conditions of office of the Trusts’ Executive Directors, performance targets, expenses claims, severance payments.

3. Duties

3.1. Nomination

- Review as required the structure, size, composition, and diversity of the Board, and provide input to the formal board evaluation process.
- Provide assurance to the Board that there is appropriate succession planning in place for executive directors and the organisational level below.
- Keep the leadership needs of the Trusts under review at executive level to ensure the continued ability of the Trusts to operate effectively in the health economy.
- Be responsible for identifying and appointing candidates to fill posts within its remit as and when they arise.
- Before any appointment is made to the executive team, evaluate the balance of skills, knowledge, experience and diversity and in the light of the evaluation, review a description of the role and capabilities required for a particular appointment.
- Ensure that the appointment process is designed to attract the best candidates, through the use of a range of open advertising or the services of external advisers to facilitate the search. The Committee will seek to provide assurance that candidates fully reflect a wide range of backgrounds and the Trusts’ commitment to equality, diversity and inclusion and that the recruitment process will consider candidates on merit and against objective criteria.
- The Committee will be consulted with regarding any temporary or interim arrangements for appointing executive directors.
- Approve any matters relating to the continuation in office of any executive director at any time including the suspension or termination of service of an executive director as an employee of the Trusts subject to the provisions of the law and their service contract.

- Ensure that a proposed Executive Director's other significant commitments (if applicable) are disclosed before appointment and that any changes to their commitments are reported to the Board as they arise.
- Ensure there is a process in place that proposed Board appointees disclose any business interests that may result in a conflict of interest prior to the appointment and that any future business interests that could result in a conflict are reported.
- Ensure that the Trusts have an appropriate policy in place to check that proposed Board appointees and existing Board members comply with the requirements under the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 Fit and Proper Persons Test.

3.2. Remuneration

- Establish and keep under review a remuneration policy in respect of all Very Senior Managers.
- When setting the remuneration policy for Very Senior Managers, ensure it is in line with pay and employment conditions across the Trusts and the wider NHS, and that it is benchmarked against other Trusts of comparable scale and complexity.
- Within the terms of the agreed policy and in consultation with the Group Chief Executive, approve the total individual remuneration package of each Very Senior Manager.
- In accordance with all relevant laws, regulations and Trust policies, approve and keep under review the terms and conditions of office of Very Senior Managers, including:
 - Salary, including any performance-related pay or bonus;
 - Provisions for other benefits, including pensions and cars;
 - Allowances;
 - Payable expenses;
 - Compensation payments.
- In adhering to all relevant laws, regulations and Trust policies establish levels of remuneration which are sufficient to attract, retain and motivate Very Senior Managers of the quality and with the skills and experience required to lead the Trusts successfully, without paying more than is necessary for this purpose, and at a level which is affordable for the Trusts.
- Approve the performance targets for any performance related pay schemes and authorise payments against those targets.
- The Committee will receive a report from the Group Chair on the outcome of the annual assessment of the performance of the Group Chief Executive prior to its submission to NHS England. The Committee will consider this outcome when reviewing changes to the Group Chief Executive's remuneration.
- The Committee will receive a report from the Group Chief Executive on the outcome of the annual assessment of the performance of the individual executive directors and will consider this outcome when reviewing changes to individual director's remuneration levels.
- Monitor and assess the output of the evaluation of the performance of individual executive directors and consider this output when reviewing changes to remuneration levels.
- Advise upon and oversee contractual arrangements for Very Senior Managers, including but not limited to termination payments to avoid rewarding poor performance.

- Where appropriate, authorise any severance payments including redundancy payments, settlements and compromise agreements as determined within current NHS rules, ensuring that they are fair to both the individual and the organisation.
- Oversee compliance when appointing board members at salaries above the upper limits as set out in national NHS guidance.
- When appointing interim board members and senior officials to fill roles with significant responsibility, ensure compliance with national NHS guidance.

4. Membership

4.1. Members of the Committee shall comprise:

- The Group Chair
- All Non-Executive Directors of each Board

4.2. In the absence of the Group Chair or where the Group Chair has a conflict of interest, another Group Non-Executive Director will be nominated by the Group Chair to chair the meeting.

5. Quorum and Attendees

5.1. The quorum necessary for the transaction of business shall be;

- The Chair of the Committee
- At least 3 Non-Executive Directors

5.2. In addition to members of the Committee, the following shall normally attend all meetings, at the invitation of the Committee:

- Group Chief Executive Officer
- Group Chief People and Culture Officer
- Group Director of Corporate Governance

6. Frequency

6.1. The Committee shall meet a minimum of 3 times per annum.

6.2. Additional meetings may be called at the request of the Chair.

7. Authority

7.1. The Committee is authorised:

- to act within its terms of reference
- to instruct professional advisors and request the attendance of individuals and authorities from outside the Trusts with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.
- to obtain such internal information as is necessary and expedient to the fulfilment of its functions. All members of staff are directed to co-operate with any request made by the Committee.

8. Meeting administration

8.1. The Group Director of Corporate Governance shall act as the secretary of the Committee.

8.2. Papers will be circulated in accordance with the Trusts' Standing Orders and minutes will be circulated to all members.

9. Reporting

- 9.1. The Committee shall make whatever recommendations to the Boards it deems appropriate on any area within its remit where action or improvement is needed.
- 9.2. The Chair on behalf of the Committee shall make a statement in the annual report about its activities and the process used to decide remuneration.
- 9.3. The Committee will conduct an annual review of its effectiveness.

Version 1.1

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