

TERMS OF REFERENCE


for the

**University Hospitals Dorset NHS Foundation
Trust**

**Appointments & Remuneration
Committee**

DOCUMENT DETAILS


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Print Name	Rob Whiteman	Signature of Chair	

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

APPOINTMENTS & REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

- 1.1 The primary purpose of the Committee is to identify and appoint candidates to fill all the Executive Director positions on the Board and to determine the remuneration and other conditions of service for the Chief Officers and Very Senior Managers.
- 1.2 The Committee shall have delegated authority from the Board to:
 - Oversee and take forward the process for the appointment/removal of the Chief Executive. The appointment/removal of the Chief Executive is subject to the approval of the Council of Governors;
 - Oversee and take forward the process for the appointment/removal of the Chief Officers of the Trust;
 - Set the remuneration allowances and other terms and conditions of office for the Trust's Chief Officers.
- 1.3 The Committee has no executive powers other than those specifically delegated in these terms of reference.

2. RESPONSIBILITIES

- 2.1 To regularly 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 with regards to any changes. With regard to changes in the Non-Executive Director appointments, the Committee will work with the Nomination, Remuneration and Evaluation Committee of the Council of Governors to take account of the skills and experience required for Non-Executive Directors identified by the Board.
- 2.2 To give full consideration to succession planning for the Chief Executive and other Chief Officers taking into account the challenges, risks and opportunities facing the Trust and the skills and expertise needed on the Board to meet them.
- 2.3 To keep the leadership needs of the Trust under review at executive level to ensure the continued ability of the Trust to operate effectively in the health economy. To have an input into the recruitment of or continuation of a Very Senior Manager role.
- 2.4 To be responsible for identifying and appointing candidates to fill posts within its remit as and when they arise.
- 2.5 To ensure there is a formal, rigorous and transparent procedure and support processes for the appointment of the Chief Executive and Chief Officers of the Trust by:
 - Considering candidates from a wide range of backgrounds and consider candidates on merit against objective criteria;

- Evaluating the balance of skills, knowledge and experience on the Board, and its diversity, and in the light of this evaluation, prepare a description of the role and capabilities required for the particular appointment. In identifying suitable candidates the Committee shall use open advertising or the services of external advisers to facilitate the search;
 - Ensuring that a proposed Chief Officer'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;
 - Ensuring that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict of interest are reported.
- 2.6 To consider any matter relating to the continuation in office of any Chief Officer 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.
- 2.7 To report formally to the Council of Governors and seek their approval of the appointment/removal of the Chief Executive.
- 2.8 To establish and review a remuneration policy in respect of Chief Officers and Very Senior Managers and in doing so the Committee shall have regard to the Trust's overarching reward and benefit strategy for all staff, the arrangements in the wider NHS and any extant guidance from the Treasury.
- 2.9 In accordance with all relevant laws, regulations and Trust policies, to determine the terms and conditions of office for those referred to above and in doing so the Committee shall review and agree:
- The overall market positioning of the remuneration package;
 - Individual base salaries and increases;
 - Provisions for other benefits, including pensions and cars;
 - Allowances;
 - Payable expenses;
 - Compensation payments;
 - Any annual and long-term incentive/bonus arrangements and the relevant targets for performance related schemes.
- 2.10 To consult the Chief Executive about proposals relating to the remuneration of the other Chief Officers.
- 2.11 In adhering to all relevant laws, regulations and Trust policies;
- To determine levels of remuneration which are sufficient to attract, retain and motivate Chief Officers of the quality and with the skills and experience required to lead the Trust successfully, without paying more than is necessary for this purpose, considering all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements, and at a level which is affordable to the Trust;
 - To use national guidance and market benchmarking analysis in the annual determination of remuneration of Chief Officers and Very Senior Managers, while ensuring that increases are not made where Trust or individual performance do not justify them;
 - To be sensitive to pay and employment conditions elsewhere in the Trust.
- 2.12 To advise upon and oversee appropriate contractual arrangements for the Chief Executive and Chief Officers, including the calculation and scrutiny of termination

payments, taking account of appropriate Treasury and national guidance and the Code of Governance for NHS Foundation Trusts to avoid rewarding poor performance.

- 2.13 To agree and review the extent to which a full time Chief Officer takes on a Non-Executive Director or Chairman role of another organisation of comparable size and complexity to University Hospitals Dorset NHS Foundation Trust.
- 2.14 To monitor and assess the output of the evaluation of the performance of individual Chief Officers and consider this output when reviewing changes to remuneration levels.

3. MEMBERSHIP/ ATTENDANCE

- 3.1 Membership of the Committee comprises of the Non-Executive Directors of the Trust
- 3.2 For any decisions relating to the appointment or removal of the Chief Officers, membership of the Committee shall include the Chief Executive who will count in the quorum for the meeting. The Chief Executive shall not be present when the Committee is dealing with matters concerning his or her appointment, removal or remuneration.
- 3.3 In addition, the Chief People Officer will be invited to be in attendance (except when issues regarding his/her own appointment, removal or remuneration are discussed) to act as expert advisor on personnel and remuneration policy.
- 3.4 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited to attend for all or part of any meeting, as and when appropriate. The Company Secretary will be invited to attend meetings of the Committee on a regular basis. Any attendee will be asked to leave the meeting when the Committee is dealing with matters concerning their appointment or removal, remuneration or terms of service.
- 3.5 The Committee will be chaired by the Trust Chair. In his or her absence, the Trust Vice Chair may chair meetings of the Committee.
- 3.6 Committee members should aim to attend all scheduled meetings and shall notify the Company Secretary in advance of any meetings that they are unable to attend. The Company Secretary (or their nominee) will maintain a register of members' attendance.

4. AUTHORITY

- 4.1 The Committee is authorised by the Board to obtain legal, remuneration or other professional advice as and when required, at the Trust's expense, and to appoint and secure the attendance of external consultants and advisors if it considers this beneficial.
- 4.2 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.
- 4.3 The Committee is authorised to decide on the most appropriate action needed by the Board in the achievement of its Terms of Reference.

5. CONDUCT OF BUSINESS

- 5.1 The Constitution, Scheme of Delegation and Standing Orders of the Trust, as far as they are applicable, shall apply to the Committee and any of its meetings.
- 5.2 The Committee will meet at least once in each year and at such other times as the Committee Chair shall require.
- 5.3 Meetings of the Committee shall be quorate if there at least three members present, including the Trust Chair (or Trust Vice Chair in his or her absence). For the appointment/removal or remuneration of the Chief Officers (other than the Chief Executive), the quorum shall include the Chief Executive.
- 5.4 Meetings of the Committee shall be called by the Company Secretary at the request of the Chair or any of its members.
- 5.5 The Company Secretary (or their nominee) is responsible for preparing the agenda for agreement by the Chair. The Company Secretary (or their nominee) shall collate and circulate papers to Committee members. Unless otherwise agreed by the Committee Chair, papers should be provided not less than seven working days before the meeting and the agenda and papers should be circulated not less than five working days before the meeting.
- 5.6 Under exceptional circumstances, in the case of emergency or urgency, items of business may be conducted outside of formal meetings. This should normally be agreed by the Committee in advance and carried out either by: calling an extraordinary meeting or reaching consensus on a decision by e-mail. Any decisions made in this manner must be formally ratified by the Committee and/or Board at the next meeting.
- 5.7 Committee business may be transacted through virtual media (including, but not limited to video conferencing). At the start of each meeting taking place without all parties physically present, the Chair shall be responsible for determining that the meeting is quorate.
- 5.8 Proceedings and decisions made will be formally recorded by the Company Secretary in the form of minutes, which will be submitted to the next meeting of the Committee for approval.

6. RELATIONSHIPS AND REPORTING

- 6.1 The Committee shall make recommendations to the Board in relation to issues that require decision or resolution by the Board.
- 6.2 The Chair shall present a report summarising the proceedings of each Committee meeting at the next meeting of the Board.

7. MONITORING

- 7.1 Attendance will be monitored at each committee meeting. A matrix (see example at Appendix A) of membership attendees will be used for monitoring purposes.
- 7.2 The Trust's annual report will include sections describing the work of the Committee including its remuneration policies, details of the remuneration paid to executive

directors and the process it has used in relation to the appointment of executive directors.

8. REVIEW

- 8.1 These Terms of Reference will be reviewed annually or sooner if appropriate.

APPENDIX A

ATTENDANCE AT CHARITABLE FUNDS COMMITTEE MEETINGS

NAME OF COMMITTEE:	Appointments & Remuneration Committee								
Present <i>(include names of members present at the meeting)</i>	Meeting Dates								
Was the meeting quorate? Y / N <i>(Please refer to Terms of Reference)</i>									