

TERMS OF REFERENCE
for the
**University Hospitals Dorset NHS Foundation
Trust**

**Appointments and Remuneration
Committee**



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Author:	Carrie Stone
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INDIVIDUAL APPROVAL			
Job Title	Chairman	Date	
Print Name	David Moss	Signature	
COMMITTEE APPROVAL			
If the committee is happy to approve this document, please sign and date it and forward copies for inclusion on the Intranet.			
Name of Committee	Board of Directors	Date	TBC
Print Name	David Moss	Signature of Chair	

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

APPOINTMENTS AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 The Board of Directors (the **Board**) has established a Committee known as the Appointments and Remuneration Committee. The Committee has no executive powers other than those specifically delegated in these terms of reference. The primary aim 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 Terms of Reference for the Committee outlined below are defined by the Board and may be amended by the Board at any time.
- 1.3 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.
- 1.4 The Committee will make available its Terms of Reference on the Trust's website.

2. MEMBERSHIP/ATTENDANCE

- 2.1 Membership of the Committee will comprise the Chairman of the Committee, or in the absence of the Trust Chairman the Trust's Vice Chairman and the other Non-Executive Directors.
- 2.2 For any decisions relating to the appointment or removal of the Chief Officers, membership of the Committee shall include the Chief Executive, as required under Schedule 7 of the National Health Service Act 2006, 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.
- 2.3 The Chief People Officer will 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.
- 2.4 The Chief Finance Officer will be in attendance (except when issues regarding his/her own appointment, removal or remuneration are discussed) to advise on the financial implications of remuneration or other proposals.

2.5 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.

2.6 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. FREQUENCY OF MEETINGS

3.1 The Committee will meet at least once a year and written notice of the date, venue and agenda will be circulated to all committee members in advance.

3.2 The Chairman of the Committee may call additional meetings as required.

4. QUORUM

4.1 The quorum for a meeting shall be three Committee members. For the appointment/removal or remuneration of the Chief Officers, the quorum shall include the Chief Executive.

5. NOTICE AND MINUTES OF MEETINGS

5.1 Meetings of the Committee shall be called by the Secretary at the request of the Chairman.

5.2 The Chairman shall agree the agenda and papers to be circulated with the Secretary.

5.3 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 and any other person required to attend no later than five 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.

5.4 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

5.5 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.6 Minutes of Committee meetings shall be agreed by the Chairman prior to being circulated promptly to all members of the Committee unless a conflict of interest exists.

6. ACCOUNTABILITY

6.1 The Committee is accountable for the Trust to approve the appointment, removal, remuneration and allowances of the Chief Officers of the Trust.

7. AUTHORITY

7.1 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.

7.2 To seek any information it requires from any employee of the Trust in order to perform its duties.

7.3 The Committee is authorised to decide on the most appropriate action needed by the Board in the achievement of its Terms of Reference.

8. RESPONSIBILITIES

8.1 The responsibilities of the Committee are set out in its Constitution (see section 1).

9. RELATIONSHIP WITH OTHER COMMITTEES

9.1 The Committee is a stand-alone Committee

10. REPORTING RESPONSIBILITIES

10.1 The Committee will provide a report on its activities within the Trust's Annual Report and shall specifically provide a statement in the annual report on:

- where remuneration consultants are appointed, a statement will be made as to whether they have any other connection to the Trust (Code of Governance D.2.1);
- the disclosure of any remuneration received by an Executive Director serving as a Non-Executive Director elsewhere and whether this is retained or not by the Executive Director (Code of Governance D.1.3);
- the number of meetings and individual's attendance at each (Code of Governance A1.2);
- the name of any person (and in particular any director of the Trust who was not a member of the committee) who provided advice or services to the Committee that materially assisted the Committee in their consideration of any matter. Where such a person is not a director of the Trust: a description of the nature of any other services that person has provided to the Trust during the financial year and whether that person was appointed by the committee (Paragraph 2(1) (c) of Schedule 8 to the Regulations).

10.2 The Chairman of the Committee will report the outcome to the Board after each meeting

11. PROCESS

11.1 The Committee shall:

11.1.1 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.

- 11.1.2 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 in the future.
- 11.1.3 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. Have an input into the recruitment of or continuation of a Very Senior Manager role.
- 11.1.4 Be responsible for identifying and appointing candidates to fill posts within its remit as and when they arise.
- 11.1.5 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.
- 11.1.6 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.
- 11.1.7 Report formally to the Council of Governors and seek their approval of the appointment/removal of the Chief Executive.
- 11.2 The Committee shall:
- 11.2.1 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.
- 11.2.2 In accordance with all relevant laws, regulations and Trust policies 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.
- 11.2.3 Consult the Chief Executive about proposals relating to the remuneration of the other Chief officers.
- 11.2.4 In adhering to all relevant laws, regulations and Trust policies;
- 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;
 - 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;
 - Be sensitive to pay and employment conditions elsewhere in the Trust.
- 11.2.5 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.
- 11.2.6 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.
- 11.2.7 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.

12. COMMUNICATION

- 12.1 The Chairman of the Committee will report to the Board after each meeting.
- 12.2 The Trust's Annual Report will include a section on the work of the remuneration committee.

13. MONITORING

- 13.1 Attendance will be monitored as part of the agenda at each Committee meeting and a matrix (see Appendix A) of membership attendees will be used for monitoring purposes.
- 13.2 The Trust's Annual Report will include details of its governance cycle, a summary of the business conducted, membership attendance, and frequency of meetings and whether meetings were held in quorum.

14. REVIEW

- 14.1 These terms of reference will be reviewed every two years by the Board or as requested by the Trust Chairman.

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

COMMITTEE MEETING ATTENDANCE RECORD

2020/21

NAME OF COMMITTEE:	APPOINTMENTS AND REMUNERATION COMMITTEE						
REPORTS TO :	BOARD OF DIRECTORS						
Membership (as per Terms of Reference). Please give names and/or full job title below:	MEETING DATES						
In attendance:							
Was the meeting quorate? Y / N							