

Solent NHS Trust Remuneration & Nominations Committee Terms of Reference

The Solent NHS Trust Board hereby establishes a Committee of the Board to be known as the Remuneration & Nominations Committee ('the Committee') in accordance with its Standing Orders and Scheme of Delegation.

The Committee is a Non-Executive Committee of the Board and has no executive powers, other than those specifically delegated by the Board in these Terms of Reference which are incorporated within the Trust's Standing Orders.

1 Principles

- 1.1 In line with the Department of Health Guidance and best practice the Remuneration & Nominations Committee will operate to the following principles at all times:
- bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate governance; and
 - seek to ensure that all compensation decisions taken are fair and equality of opportunity, diversity and inclusion impacts are considered

2 Purpose

2.1 Remuneration

The Committee makes decisions on behalf of the Board regarding remuneration and terms of office relating to the Chief Executive and other Executive Directors. It oversees and approves:

- Employer Based Clinical Excellence Awards
- severance payments over £100k
- all non-contractual payments

2.2 Governance and nominations

The Committee makes recommendations to the Board as appropriate regarding the following matters;

- the governance arrangements for the Trust including Committee structure and associated composition, in consideration of skills and experience of Board members
- succession planning of Board members
- Associate Hospital Manager appointments

3. Duties – The Committee will:

3.1 Remuneration

- Be responsible for aligning the Trust's Remuneration Policy for Directors with national Very Senior Management (VSM) terms
- Within the constraints of national frameworks, the Committee will agree the remuneration package, allowances and terms of service of the Trust's executive directors. No executive director shall be involved in any decisions as to their own remuneration.

- Make decisions on behalf of Solent NHS Trust Board and where necessary make recommendations to NHSI/E about appropriate remuneration, allowances and terms of service for the Chief Executive, and other Executive Directors, to include:
 - Salary - Consulting the Chair and/or the Chief Executive concerning proposals relating to the remuneration of other Executive Directors. Recommend and monitor the level and structure of remuneration for Senior Management (the definition of Senior Management to be determined by the Trust Board, but will normally include the first layer of management below Board level).
 - Pensions - Consider any pension consequences and associated costs to the Trust of basic salary increases and other changes in pensionable remuneration.
 - Performance related pay and Directors' eligibility and performance evaluation for annual bonuses
 - Provision of other contractual terms and benefits
 - Approval of settlement agreements/severance pay or other occasional payments to individuals and
 - out of court settlements, taking account of national guidance
 - Approval of other non-contractual payments
 - Receive and approve decisions of the Employer Based Clinical Excellence Awards (EBCEA) panel
 - be sighted on any substantial changes to nationally agreed terms and conditions.
 - Ensure that levels of remuneration for the Chair and other non-executive directors reflect the national terms.

3.2 Performance evaluation

- Monitor and oversee the evaluation of the performance of the Chief Executive.
- Approve participation in any performance related pay schemes, where operated by the Trust, and approve the total annual payments made under such schemes.
- The Committee will ensure that any:
 - pay-outs or grants under any incentive schemes are subject to challenging performance criteria reflecting the objectives of the Trust.
 - performance criteria and upper pay limits for annual bonuses and incentive schemes are disclosed

3.3 Termination matters

- Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the NHS, aligned with the interests of the patients, that failure is not rewarded and that the duty to mitigate loss is fully recognised, in line with national guidance where appropriate

3.4 Severance payments

- The Committee will refer the following matters to NHSE in accordance with the guidance on processes for making severance payments;
 - All severance payments (contractual or non-contractual) to Chief Executives and Directors of NHS Trusts. For these purposes, "Director"

means any Director reporting to the Chief Executive whether or not an executive member of the Board

- Non-contractual severance payments to all staff (including to Chief Executives and Directors as defined in 3.1)
- Contractual severance payments over £100,000 to all staff (including to Chief Executives and Directors as defined in 3.1)

3.5 Appointment of Remuneration Consultants

- To be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Remuneration Consultants who advise the committee, and to obtain reliable, up-to- date information about remuneration in other Trusts. Where Remuneration Consultants are appointed, a statement will be made available of whether they have any other connection with the Trust or conflicts of interest.

3.6 Mutually Agreed Resignation Schemes (MARs)

- To have oversight of Mutually Agreed Resignation Schemes (MARs) and to approve schemes as necessary.

3.7 Governance arrangements

- Consider and keep under review governance arrangements, making recommendations to the Board as appropriate, including:
 - committee structure
 - membership and composition – including nominations of NEDs and Executive members to Board Committees and in consideration of balance of skills/experience
 - Terms of Reference of the Board and its Committees
 - nominations of key roles
 - overseeing appraisals of the Board and its Committees
 - fit and proper person arrangements

3.8 Succession Planning and NED Tenure

- Consider and keep under review succession planning arrangements for Board members, including:
 - ensuring there is a full, rigorous and transparent procedure for appointments

For NEDs:

- Reviewing tenure of NEDs and considering skills and experience when planning for future appointments
- Reviewing recruitment documentation for NED vacancies in conjunction with NHS Improvement

For Executives:

- ensuring the leadership of the organisation remains appropriate in consideration of the evolving system developments, collaborative working, talent pool and market forces – working with the Chief People Officer and People Committee as appropriate

- Provide support to the Chief People Officer in the appointment process of executive team members as required
- Reviewing the annual executive succession plan
- Acknowledge that it is for the NEDs to appoint and remove the Chief Executive, and that the appointment of the Chief Executive requires Board approval.
- Be informed of any matters of concern regarding the continuation in office of any Director including the suspension or termination of service of an Executive Director as an employee of the Trust subject to the provisions of the law and their service contract.

Associate Hospital Managers (AHM)

- 3.9
- consider recommendations made by the Chair of the Mental Health Act Scrutiny Committee and Mental Capacity Act and Mental Health Act Lead regarding the appointment and tenure of Associate Hospital Managers
 - seek assurance regarding the governance arrangements regarding AHM appointments

Board Development

- 3.10
- In conjunction with the Chief People Officer, consider and recommend Board Development activities in light of feedback and analysis of skill mix analysis, appraisals of Committees/Boards and other feedback mechanisms

4 Membership

4.1 Membership of the Remuneration & Nominations Committee will comprise:

- The Non-Executive members of Solent NHS Trust -one of whom will be appointed as the Committee Chair
- The Trust Chair

4.2 In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Trust Chair shall not be the Chair of the Committee.

5 Attendance

5.1 The Chief Executive, Chief People Officer and Chief of Staff will be invited to attend the meeting as required to provide advice. No person will be present when the Committee is considering the remuneration, succession or appointment of their respective roles.

6 Quorum

6.1 The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

7 Frequency of meetings

7.1 The Committee will meet three times a year. Additional meetings can be called by the Chair.

8 Meeting administration

- 8.1 The Secretary to the Committee will be coordinated by the Chief People Officer with the Committee Chair.
- 8.2 Papers will be circulated in accordance with the Trusts' Standing Orders and minutes will be circulated promptly to all members. Minutes of Committee meetings shall be circulated promptly to all members of the committee.
- 8.3 The terms of reference will be reviewed annually and the Committee will conduct an annual effectiveness review.

9 Reporting responsibilities

- 9.1 AGM attendance
The Chair of the Committee, or nominated deputy, shall attend the Annual General Meeting prepared to respond to any stakeholder queries in relation to the committee activity.
- 9.2 Annual Report
Remuneration matters will be disclosed within the Annual Report as per the requirements of the Department of Health and Social Care, Group Accounting Manual.
- 9.3 Trust Board
The committee will report to the In Public Board on non-confidential matters (for example concerning governance and nominations) and the Confidential Board on all confidential matters.

Version	2
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