

BRIGHTON AND SUSSEX UNIVERSITY HOSPITALS NHS TRUST

NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. Membership

Chair: the Chair of the Trust

All Non-Executive Directors

2. In attendance

2.1 The Chief Executive should be invited to attend as appropriate, but particularly when the Committee is discussing Executive Director appointments and/or remuneration, but should not be present for discussions about his/her own remuneration and terms of service.

2.2 Other executive officers should be invited to attend as appropriate, but particularly when the Committee is discussing areas of risk or operation that are the responsibility of that officer.

2.3 The Executive Director of Workforce and Organisation Development should attend all meetings in an advisory capacity, but should not be present for discussions about his/her own remuneration and terms of service.

2.4 The Company Secretary or his/her nominee shall act as Secretary to the Committee.

2.5 No member or attendee shall take part in any discussion relating to his/her post and must declare at the beginning of any meeting any such interest in any items for that meeting.

3. Duties

The duties of the Committee are as follows:

3.1 To decide on the recruitment and selection process (including the preparation of a description of the role and capabilities required for the appointment of the Chief Executive), the appointment, appraisal, remuneration and terms of service of the Chief Executive.

3.2 In conjunction with the Chief Executive, oversee the recruitment and selection process (including the preparation of a description of the role and capabilities required for the appointment of the Executive Director posts on the Trust Board), and the appointment of all Executive Directors, and decide on their terms and conditions of service.

- 3.3 As part of 3.2 ensure that the requirements of the Fit and Proper Person Test are applied appropriately.
- 3.4 Remuneration will consist of a base salary in combination with any or more of the following elements:-
- Performance related element
 - Pensions
 - Other benefits

Remuneration should be decided in accordance with Best Practice guidance as set out in Annex A of these Terms of Reference.

- 3.5 In informing the Committee, the Executive Director of Workforce and Organisation Development will prepare annually the following information:
- list of current basic salary rates for Executive Directors
 - list of comparable rates compiled from relevant salary surveys, advertised market rates, the level of experience and qualifications of the Executive Directors and any other relevant factors.
 - in determining basic pay increases for senior managers of the Trust, a recommendation for pay increases taking into account national guidelines and advice.
- 3.5 To monitor the performance of the Chief Executive and, with the Chief Executive, other Executive Director posts.
- 3.6 To determine appropriate contractual arrangements and termination payments for Executive Directors, taking into account national guidance, where appropriate.
- 3.7 To act on any other matters delegated by the Department of Health or NHS Improvement to the Nomination and Remuneration Committee.
- 3.8 To consider and, subject to current regulatory guidelines approve recommendations in respect of contractual and non-contractual severance and redundancy payments to staff leaving the Trust.
- 3.9 To consider the principal elements of the structure and terms of appointment for senior roles within the Trust, particularly clinical management roles.
- 3.10 To receive reports about Consultant appointments within the Trust, including remuneration arrangements.
- 3.11 To receive reports on significant employee relations issues, items of litigation and to approve redundancy payments.

3.12 To review its own performance, constitution and terms of reference on an annual basis to ensure it is operating at maximum effectiveness.

4. Quorum

4.1 The Committee shall be deemed quorate only if three Non-executive Director members are present. 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 duties vested in or exercised by the Committee.

5. Authority

5.1 The Committee is invested with the delegated authority to act on behalf of the Trust Board. The limit of such delegated authority is restricted to the areas outlined in the Duties of the Committee (above) and subject to the rules on Reporting, as defined below. The Committee is empowered to investigate any activity within its Terms of Reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries.

5.2 The Committee is authorised by the Trust Board to obtain independent legal and professional advice and to secure the attendance of external personnel with relevant experience and expertise, should it consider this necessary. All such advice to be arranged in consultation with the Company Secretary.

6. Frequency of meetings

6.1 The Committee shall meet at such times as the Chair of the Committee shall require, subject to there being at least two meetings in each calendar year.

7. Minutes and Reporting

7.1 Agendas and briefing papers should be prepared and circulated in sufficient time for Committee Members to give them due consideration.

7.2 The Committee should report to the Board on any items that are appropriate to do so.

8. Conduct of Business

8.1 The conduct of business will conform to guidance set out in the Trust Standing Orders, unless alternative arrangements are defined in these Terms of Reference.

8.2 At the discretion of the Chair business may exceptionally be transacted through a teleconference provided all parties are able to hear all other parties and where an agenda has been issued in advance, or through the signing by every member of a written resolution sent in advance to members and recorded in the minutes of the next formal meeting.

9. Annual General Meeting

- 9.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any stakeholder questions on the Committee's activities.

Annex A: Best Practice

When considering executive pay, it is good practice to take into account the following points:

- remuneration packages must be such as to enable people of appropriately high ability to be recruited, retained and motivated – within levels of affordability;
- all NHS bodies are parts of the public sector and what they do, including the pay of their employees, must be publicly defensible and subject to audit;
- NHS bodies must comply with current disclosure requirements for remuneration;
- a properly defensible remuneration package requires a clear statement of responsibilities with rewards linked to their measurable discharge;
- wherever possible it will be advisable to seek independent advice about pay structures and the state of the market for the kind of managers to be recruited - including consultation with neighbouring NHS bodies;
- In developing remuneration packages, the Appointment and Remuneration Committee may wish to ensure that they have:
 - a clear statement of the responsibilities of the individual posts and their accountabilities for meeting objectives of the organisation;
 - a means of assessing the comparative job "weight" e.g. by job evaluation;
 - comparative salary information from the NHS, other public sector;
 - organisations and other industrial and service organisations.

Approved April 2017
Next Review April 2018