|  |  |
| --- | --- |
| **REMUNERATION COMMITTEE** | |
|  |  |
| **Name of Committee:** | Remuneration and Terms of Service Committee |
| **Chair:** | The Chair of the Committee shall be the Chair of the Trust Board.  In the absence of the Chair of the Committee, the Committee members present will elect another Non-Executive Director to chair the meeting. |
| **Other Members:** | The membership of the Committee shall consist of all Non-Executive Directors, for the duration of their appointments.  Other Directors of the Trust may attend by invitation. Where Directors are invited to attend they are not must not remain present during any discussion about their own remuneration and terms and conditions of service. |
| **Quorum:** | Chair and two Non Executive Directors |
| **Frequency of Meetings:** | Meetings to be held at least two times per year, with additional meetings where necessary. |
| **Inputs:** | Relevant internal and external labour market information as deemed appropriate by the Committee.  Appraisal information for the Chief Executive.  Appraisal information for Executive Directors.  Information relating to Clinical Excellence Awards. |
| **Outputs:** | A written summary of relevant decisions to be presented to the next available meeting of the Trust Board.  Annual committee review and annual report to the Trust Board (March). |
| **Frequency of review of terms of reference** | The terms of reference of the Committee shall be reviewed by the Trust Board at least annually. |
| **Lead Director & Committee Secretary:** | To be confirmed. |

1. **Purpose**

1.1 The Remuneration Committee is a Committee of the Trust Board. Its purpose is to determine the remuneration and conditions of service of Executive Directors, ensuring that these properly support the objectives of the Trust, represent value for money and comply with statutory and Department of Health requirements.

1.2 Any proposed changes to the terms of reference will need to be approved by the Trust Board.

**2. Duties**

2.1 The Committee will determine the following matters:

* the specific remuneration, terms and conditions of service of the Chief Executive and Board Executive Directors;
* the general remuneration and terms and conditions of service for other Directors with regard to the comparative levels of remuneration of the Chief Executive and Board Executive Directors;
* contractual arrangements for Chief Executive and other Board Executive Directors including notice periods and the level of termination payments, taking into account such national guidance as appropriate.
* all termination payments (contractual or non-contractual) to the Chief Executive, Executive Directors and all other staff over £100,000 in line with TDA guidance for submission to HM Treasury.

The Remuneration Committee has delegated authority to the Chief Executive (to be counter signed by the Chief Finance and Investment Officer) to agree all severance payments (contractual and non-contractual) for payments up to £100,000 to be submitted to HP Treasury.

For these purposes, a termination payment is any payment made on the termination of employment that is greater than salary due and any unpaid annual leave at the point of termination. Termination payment also means any severance payment, whether or not covered by a compromise agreement, pay in lieu of notice, garden leave, pension enhancements or redundancy payment.

* any other remuneration issues referred by the Board from time to time.

2.2 The Chair is responsible for setting and monitoring the Chief Executive’s objectives. The Chief Executive is responsible for setting and monitoring objectives for the other Board Executive Directors.

2.3 The Committee is responsible for monitoring and evaluating the performance of the Chief Executive and Board Executive Directors.

2.4 The Committee is responsible for receiving the annual report and recommendations of the local awards committee in respect of the Clinical Excellence Awards Scheme.

# 3. Policy and Best Practice

3.1 In reaching its decisions the Committee will take into account the following principles:

* remuneration levels must be such as to enable people of appropriately high ability to be recruited, retained and motivated, within levels of affordability
* remuneration levels must be publicly defensible and demonstrably fair and equitable
* differences in remuneration packages between individuals will be based upon clear job descriptions and responsibilities relating to the post and the application of the Trust’s job evaluation systems
* remuneration packages will, as far as possible, be made up of standard items common to the Trust as a whole
* comparative salary information will be received both from within the NHS and from other relevant organisations as appropriate and will be taken into account as a basis for decision-making. There will be a declared policy which relates the Trust’s salaries to survey averages, but at a level which may be above or below these averages according to the Trust’s recruitment, retention and budget needs
* there will be no automatic pay rises based upon inflation or length of service. An annual pay review will be considered by the Remuneration Committee.
* in setting pay, the committee will have regard to individual and team performance.