APPOINTMENT AND REMUNERATION COMMITTEE
TERMS OF REFERENCE

1. CONSTITUTION

The Appointment and Remuneration Committee (hereafter referred to as the Committee):

1.1 is a formal sub committee of the Board of Directors;

1.2 is appointed and authorised by the Board of Directors to act within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee.

1.3 is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for, or expedient to, the exercise of its functions.

1.4 is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

2. MEMBERSHIP

2.1 The Committee membership is as follows:

- Trust Chairman (who will chair the Committee)
- All Non-Executive Directors

2.2 By invitation, meetings of the Committee may be attended by:

- Chief Executive
- Executive Directors
- People and Development Director
- Trust Secretary
- Any other person co-opted by the Committee to attend a meeting so as to assist in deliberations.

Additional attendees shall be invited to attend as necessary but must withdraw for any issue that relates to them personally.
3. FREQUENCY AND QUORACY OF MEETINGS

3.1 Meetings shall be held as frequently as it may determine to meet its purposes and not less than once during any financial year.

3.2 Any member unable to attend a meeting of the Committee will be required to forward their apologies to the Trust Secretary in advance of the meeting.

3.3 The group will be quorate with three members present, plus the Chair (or Deputy Chair)

4. FUNCTION

In respect of appointments, the Committee will:

4.1 Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes.

4.2 Give full consideration to and make plans for succession planning for the Chief Executive and other Executive Board Directors, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed, in particular on the Board in future.

4.3 Be responsible for identifying, and appointing, candidates to fill posts within its remit as and when they arise.

4.4 Be responsible for the appointment and removal of the Chief Executive and other executive directors as described in paragraph 28 of the Trust’s constitution.

4.5 Be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of the Chief Executive.

4.6 Before a Board appointment is made, evaluate the balance of skills, knowledge and experience on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds; consider candidates on merit against objective criteria.

4.7 Consider any matter relating to the continuation in office of any Board Executive Director at any time, including the suspension or termination of service of an individual as an employee of the Trust.

In carrying out this role the Committee may form sub committees for the performance of roles within any Trust processes as it thinks fit. Further it may authorise the Chairman or Deputy Chairman to liaise with such Trust officers or others as circumstances dictate to ensure that Trust processes are adhered to including delegating functions under such processes so that any formal determinations can be made by the Committee in a reasonable way.
4.8 Consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of its responsibilities.

In respect of remuneration, the Committee will:

4.9 Decide and review the terms and conditions of office of the Trust’s Executive Directors and other Very Senior Managers in accordance with all relevant Trust policies, including:

- Salary, including any performance-related pay or bonus
- Provisions for other benefits, including pension and cars
- Allowances.

Advise on, oversee and approve contractual arrangements for such staff, including proper calculation and scrutiny of early termination payments, taking account of national guidance or best practice as is appropriate and considering any necessary claw-back provisions in the event that the respective member of staff returns to the NHS within the period of putative notice.

4.10 Monitor and evaluate the performance of individual directors.

4.11 Adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate executive directors whilst remaining cost effective.

4.12 Advise upon and oversee contractual arrangements for executive directors, including but not limited to termination payments.

4.13 Consider and approve any settlement agreements amounting to £10,000 or more (settlements up to £10,000 will be submitted to Executive Directors for approval).

4.14 Consider and approve any settlement agreements with any compensation element payments, which require Monitor approval.

5. REPORTING

5.1 The Committee reports directly to the Board of Directors.

5.2 Formal minutes will be recorded of each meeting and, save for items of individual confidentiality, will be distributed to those present at the meeting.

5.3 Minutes will be held securely by the Trust Secretary and may be accessed by the auditors, when requested.

5.4 Following each meeting of the Committee, a written briefing or a copy of the minutes, as deemed appropriate and approved by the Chair (or agreed deputy) shall be presented at the next meeting of the Board of Directors.

5.5 The Committee shall ensure that the Board of Directors’ emoluments are accurately reported in the required format in the Trust’s Annual Report.
6. DATE OF REVIEW

These Terms of Reference will be reviewed in December 2017, when compliance with them will be monitored against the minutes of the meetings held in the previous two-year period.