

REMUNERATION AND TERMS OF SERVICE COMMITTEE**TERMS OF REFERENCE****JANUARY 2022****CONSTITUTION**

- 1 The Board has established a Committee to be known as the Remuneration and Terms of Service Committee (the Committee). The Committee is a non-executive committee of NHS Resolution's Board, which determines its terms of reference.

MEMBERSHIP

- 2 The Committee is appointed by the Board of NHS Resolution and consists of all the non-executive members (excluding the Associate Non-executive Directors). The Committee is chaired by the Chair of NHS Resolution or such other non-executive as the Chair may nominate from time to time. Committee meetings require a quorum of at least three members, including the chair of the meeting. Details of the membership are to be given in the Annual Report.
- 3 The Committee is supported by a Secretary to be appointed by the Chair.

ATTENDANCE

- 4 The Chief Executive will attend meetings as required to present his/her reports on the performance of the Executive and senior managers, but will not be present for discussions about their own remuneration. Other senior managers may be invited to attend for the discussion of specific items not related to their own positions.
- 5 The Head of Human Resources and Organisational Development will be available to advise the Chair and the Committee if required and will attend meetings at the request of the Chair.

FREQUENCY

- 6 Meetings shall be held as required but at least twice a year. Committee members or the Chief Executive may request a meeting at any time should they consider it to be necessary.

AUTHORITY

- 7 Subject to any restrictions set out in relevant legislation, the Committee is authorised by the Board to determine any matter within its terms of reference. The Committee will take proper account of national agreements e.g. Agenda for Change and guidance issued by the Department of Health and Social Care and the NHS on the pay for executive and senior managers in reaching its decisions. The Committee will also have proper regard to the Authority's circumstances and performance. The Committee may seek such information or independent advice as may be necessary to inform its decisions.

TERMS OF REFERENCE

- 8 The Committee will:

- (i) Determine the remuneration, benefits and terms of service of all posts covered by the Executive and Senior Managers' (ESM) pay framework in line with that Framework.
- (ii) If required seek and obtain approval from the Department of Health and Social Care for any changes to remuneration in line with the arrangements in the ESM pay framework.
- (iii) Review and approve as required proposals by the Chief Executive for the recruitment or appointment of staff at the ESM level.
- (iv) Ensure that effective systems are in place and are being properly administered to monitor and evaluate the performance of those covered by the ESM pay framework, including such assessments as may be required to determine the level of remuneration, including any bonus payments in line with the ESM pay framework.
- (v) Oversee contractual arrangements for employees covered by the ESM pay framework, including the calculation and scrutiny of termination payments, ensuring that such payments are appropriate, reflect best practice and take account of both national guidance and Department of Health and Social Care and Treasury approval requirements.
- (vi) Take responsibility for identifying and, together with the Chief Executive, approving candidates to fill executive Board vacancies as and when they arise.
- (vii) Agree the appointment and renewal of any Associate Non-Executive Director posts, including where appropriate the associated remuneration and terms of appointment.
- (viii) Satisfy itself with regard to the effectiveness of the plans and processes that are in place for succession planning for senior positions, ensuring that these arrangements are supplemented by appropriate management development programmes.
- (ix) Consider requests in principle for payments to any employee which require the approval of the Department of Health and Social Care's Governance and Audit Committee, including redundancy payments with a capitalised value of £100,000 or more, payments in lieu of notice of £50,000 or more and ex gratia payments of £20,000 or more.

REPORTING

- 9 The Chair will submit a report on the Committee's activities for information to a public meeting of the Board at least once a year and ensure the Board is informed on a timely basis of relevant decisions.
- 10 Copies of the minutes will be made available to the auditors as required.

REVIEW

- 11 The Committee will review its performance annually including its compliance with these terms of reference, the results of which will be reported to the Board. If considered appropriate the Committee will recommend changes to these terms of reference for approval by the Board.