

# **BARTS AND THE LONDON NHS TRUST**

## **REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. Authority**

- 1.1 The Remuneration Committee is constituted as a non-executive standing committee of the Trust Board and has no executive powers, other than those specifically delegated in these terms of reference. Its constitution and terms of reference are set out below and can only be amended with the approval of the Trust Board.
- 1.2 The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Trust and all employees are directed to cooperate with any request made by the Committee.
- 1.3 The Committee is authorised by the Trust Board to obtain outside legal, remuneration or other independent professional advice and to secure the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary.

#### **2. Purpose**

- 2.1 The Remuneration Committee shall have delegated authority from the Trust Board to determine the broad remuneration policy and performance management framework, to monitor and evaluate performance and to set individual remuneration arrangements for the Trust's senior managers. The Remuneration Committee shall make recommendations to the Trust Board on the appointment and dismissal of senior managers and on termination payments to Senior Managers.
- 2.2 For the purposes of these Terms of Reference, the Trust's senior managers are defined as the Chief Executive, Corporate Directors, Divisional Directors and other managerial posts where salaries fall within the range of Corporate Directors (other than Medical posts).

#### **3. Membership**

- 3.1 The Committee shall be appointed by the Trust Board and comprise the Chairman and all Non Executive Directors of the Trust. One member will be appointed as the Chair of the Remuneration Committee by the Trust Board.
- 3.2 A quorum shall be two members.

- 3.3 Members should make every effort to attend all meetings of the Committee and will be required to provide an explanation to the Chair of the Committee if they fail to attend two meetings in a calendar year. If a member fails to attend more than two meetings in a calendar year the Chair of the Committee will consider the appropriate action to be taken, including the option of recommending to the Trust Board the removal of the member from the Committee. The Committee Secretary will monitor attendance by members and report this to the Chair of the Committee on a regular basis.

#### **4. Attendance**

- 4.1 The Chief Executive and the Director of Human Resources shall normally be in attendance except when issues regarding their own remuneration are discussed.
- 4.2 Other Directors or any other individual deemed appropriate by the Committee may be invited to attend by the Chair of the Committee for specific items.
- 4.3 The Director of Corporate Services shall act as Secretary to the Committee and provide appropriate support to the Chair and committee members. This will include agreement of the agenda with the Chair and attendees, collation of papers, taking the minutes and keeping a record of matters arising and issues to be carried forward and advising the Committee on pertinent areas.

#### **5. Frequency of meetings**

- 5.1 Meetings of the Remuneration Committee shall be held as deemed necessary by the Chair but not less than twice a year.
- 5.2 Where it is necessary for decisions to be taken between meetings of the Remuneration Committee, these decisions shall be taken by the Chair of the Committee and ratified and minuted at the next meeting of the Committee to ensure an effective audit trail.

#### **6. Reporting**

- 6.1 The approved minutes of the Remuneration Committee's meetings will be circulated to the Trust Chairman, all Non Executive Directors, the Chief Executive and the Director of Human Resources.
- 6.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, having due regard for the sensitive nature of some of the Committee's discussions. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board or require Board approval or ratification.

6.3 The Trust's Annual Report, which is approved by the Trust Board, shall include a statement of the Trust's broad remuneration policy.

## **7. Review**

7.1 The Terms of Reference shall be reviewed by the Committee and approved by the Trust Board at least annually.

## **8. Duties**

8.1 The duties of the Committee, acting under the delegated authority of the Trust Board, are as follows:

8.2 To agree the broad remuneration policy and performance management framework for the Trust's senior managers, as defined at paragraph 2.2 of these terms of reference.

8.3 To make recommendations to the Trust Board on the appointment and dismissal of senior managers and on termination payments to senior managers.

**8.4 To approve the service contracts of the Trust's senior managers, including starting salaries and termination arrangements.**

8.5 To review the performance of the Trust's senior managers against objectives for the previous year, note forward objectives and agree individual remuneration arrangements for these postholders.

**8.6 In determining remuneration policy and packages, to have due regard to the policies and recommendations of the Department of Health and the NHS, and all relevant codes, laws and regulations.**

8.7 To keep abreast of executive level remuneration policy and practice and market developments elsewhere in the NHS and in other relevant organisations, drawing on external advice as required.

8.8 To receive regular reports on Compromise Agreements, Settlements and Redundancies approved in accordance with Trust policies.

8.9 To agree proposals for severance payments to staff which fall outside the provisions of the contract of employment before submission to HM Treasury for approval.

- 8.10 To receive an annual report on the outcome of the employer-based (local) Clinical Excellence Awards round.**
- 8.11 To undertake its duties having due regard to the provisions of Monitor's NHS Foundation Trust Code of Governance.**
- 8.12 To undertake any other duties as directed by the Trust Board.**

**Version history:**

Revised by Remuneration Committee: 25 February 2009  
Previously approved by Trust Board: 25 June 2008, 24 June 2009  
Last revised by the Remuneration Committee: 14 June 2011