

**Board Nominations and Remuneration Committee
Terms of Reference**

| | |
|----------------------------|--|
| Purpose | The Committee is responsible for identifying and appointing candidates to fill all the executive director positions on the board and for determining their remuneration and other conditions of service. |
| Responsible to | Board of Directors |
| Delegated authority | <p>The Nominations and Remuneration Committee is established under the Trust’s Standing Order – Arrangements for the Exercise of Functions by delegation and is constituted as a standing committee of the Board of Directors.</p> <p>The Nominations and Remuneration Committee is authorised by the Board of Directors to act within its terms of reference.</p> |
| Duties | <ul style="list-style-type: none"> • To regularly review the structure, size and composition (including skills, knowledge and experience) required of the Board of Directors and make recommendations to the Board with regard to any changes. • To give full consideration to and make plans for succession planning for the Chief Executive and other Executive Director posts. • To agree the Non-Executive membership of an Appointments Panel to appoint any Executive Director. The panel will normally include the Chairperson and Chief Executive. The panel will have delegated authority to appoint an Executive Director. • To be responsible for agreeing an Appointments Panel to include the Chairperson which will then have delegated authority to identify and recommend a suitable candidate for approval by the Council of Governors to fill the position of Chief Executive. • To agree the job description for any Executive Director taking into account the role and capabilities required. • To determine on behalf of the Board of Directors the terms and conditions of employment and salary levels of Executive Directors in the Trust and any other Senior Managers not covered by Agenda for Change terms and conditions. The remuneration of the Chief Executive will be proposed by the Chairperson and approved by the whole body of Non-Executive Directors. The remuneration of |

Executive Directors will be proposed by the Chief Executive and approved by the whole body of Non-Executive Directors.

- In undertaking this function it will:-
 - a) Observe all statutory and contractual obligations as they affect individual postholders.
 - b) Act in accordance with the Foundation Trust's standing orders.
 - c) Have regard to any directions made by the Secretary of State in so far as they apply to Bradford Teaching Hospitals as a Foundation Trust.
 - d) Have regard to the guidance in any directives on pay and conditions of employment in respect of very senior managers so far as they apply to Bradford Teaching Hospitals as a Foundation Trust.
 - e) Ensure that regulation 5 of the Health and Social Care Act 2008 [Regulated Activities] Regulations 2014 is complied with in respect of any new or continued appointment.
 - f) Ensure that in considering any starting salary over £150,000 there is a clear and documented rationale for the level of salary awarded and that an opinion from HM Treasury is sought before confirming any appointment.
 - g) Consider the pension consequences and associated costs to the Foundation Trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.
 - h) Take into account the financial state of the Foundation Trust.
 - i) Have regard to legislation on discrimination and the gender pay gap when considering levels of pay/terms and conditions.
 - j) Ensure that remuneration is sufficient to recruit, retain and motivate Executive Directors at the level of skills appropriate to the role.
 - k) Consider the relationship between the remuneration of these posts and that of other grades of staff employed in Bradford Teaching Hospitals in particular the layer below Board level. This may include reference to the level of pay awards granted under national pay systems e.g. Agenda for Change.

| | |
|------------------------------|---|
| | <ul style="list-style-type: none"> l) Consider any matter relating to the continuation in office of any Executive Director including the suspension or termination of service. m) Consider any proposal for a severance payment to be made to a Senior Manager. A 'Senior Manager' is defined as the Chief Executive or any Director who reports to the Chief Executive, whether or not they are an executive member of the Board. The Remuneration Committee will either reject the proposal or approve a business case to be sent to NHSI if they propose/approve a payment to be made. n) Approve the running of any MARS or Voluntary Redundancy Scheme. o) Make recommendations on any local pay arrangements not covered by national terms. p) Recommend the scope and detail to be included in the annual report concerning basic salary and elements relating to performance including an explanation of the criteria on which performance is based where necessary. q) Review appraisal outcomes for Executive Directors where there is a performance related pay element. r) Be satisfied that a risk assessment has been carried out when it is agreed that an Executive Director can leave the Foundation Trust without serving their full contractual notice. s) Work within the principles contained in the HM Treasury guidance on how to manage public funds in respect of 'special payments' and the Code of Governance for NHS Foundation Trusts. |
| Sub-Groups | The Committee does not have any sub-groups. |
| Chairing arrangements | The Committee will be chaired by the Trust's Chairperson. In their absence the Deputy Chairperson, if present, will preside. If both the Chairperson and Deputy Chairperson are absent, or are disqualified from participating, such Non-Executive Director as the Non-Executive Directors present shall choose, shall preside over the meeting. |
| Membership | The Nominations and Remuneration Committee will consist of the |

| | |
|------------------------------|---|
| | Chairperson and all Non-Executive Directors. |
| In attendance | <p>The Chief Executive and Director of HR will attend in an advisory capacity.</p> <p>The Committee may invite other staff or external advisors to attend as required.</p> |
| Conflicts of interest | The Chairperson, any Non-Executive Director present or Executive Director in attendance at a committee meeting will withdraw from discussions concerning their own appointment, remuneration or terms and conditions of service. |
| Support | The Director of Human Resources will service the Committee and provide specialist advice and information as necessary. |
| Quorum | This will be the Chairperson and three other Non-Executive Directors. |
| Frequency of meetings | <p>For the purpose of the Annual Review of Executive Directors pay the Nominations and Remuneration Committee will meet within the first four months following the 1 April each year.</p> <p>The Nominations and Remuneration Committee will meet at other times for the following purposes as determined by the Chairman of the Nominations and Remuneration Committee:-</p> <ul style="list-style-type: none"> • To keep up to date with relevant developments. • To review remuneration policies. • To consider proposals for changes in terms and conditions of employment. • To consider any in-year variation of salaries and terms and conditions of employment of Executive Directors. • To agree process and salaries for new appointments. |
| Circulation of papers | Papers will be distributed a minimum of three clear working days in advance of the meeting. |
| Reporting | <p>The Nominations and Remuneration Committee will meet in private and record the reasons for all decisions and report these decisions to the Board of Directors as required.</p> <p>Communicating Decisions The responsibility is vested in the Director of Human Resources as secretary to communicate the decision of the Nominations and</p> |

| | |
|--------------------------------------|---|
| | Remuneration Committee in writing to each postholder where it affects their pay or terms and conditions of service. |
| Date agreed by the Committee: | 29 November 2022 |
| Date approved by the Board: | 19 January 2023 |
| Review date: | November 2023 |