

Board of Directors Nomination and Remuneration Committee

Terms of Reference

1. Authority

- 1.1 The Committee is directly accountable to the Board of Directors.

2. Purpose of the Committee

- 2.1 The Board of Directors' Nominations and Remuneration Committee (the Committee) is established as a sub-committee of The Hillingdon Hospitals NHS Foundation Trust (the Trust) Board of Directors in accordance with the Trust's Constitution.
- 2.2 The Committee has the delegated power to act on behalf of the Board in making decisions upon the remuneration and terms of service for the Chief Executive and other Executive Directors¹. These decisions will cover all aspects of salary, including the approval of arrangements for termination of employment and other major contractual terms. The Committee will operate in accordance with principles outlined in the Monitor Code of Governance.
- 2.3 The Committee will give full consideration to and make plans for succession planning for the Chief Executive and other Executive Directors, taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in future. The Committee will be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of Chief Executive. The Committee will also advise upon and oversee the contractual arrangements of the Chief Executive and other Executive Board Directors.
- 2.4 The Committee will have a role in overseeing the Chief Executive's plans and proposals, and remuneration with regard to "very senior manager" ("VSM") appointments² (including non-voting Directors but excluding Non-Executive Directors), and the Trust Secretary (who is accountable to the Chair and CEO). This will take place having regard to national guidance, (for example from NHS Improvement, NHS Employers, NHS England and/or their successors). In particular the committee will:
- Review any 'on payroll' appointment or salary change that attracts or results in a remuneration at or above £150,000; including where this does not relate to the appointment of an Executive Director, but excluding Non-Executive Directors;
 - Review any 'off payroll' arrangement which, when annualised, remunerates the contractor in excess of £100,000 per annum;

¹ Defined for these purposes as 'voting Directors' of the Board.

² Defined in accordance with NHS Improvement guidance

- Keep under review the Trust's Policy on Executive and Senior Management Remuneration.

3. Membership

3.1 The membership of the Nominations and Remuneration Committee comprises all Non-Executive Directors and the Chair. The Chair of the Nominations and Remuneration Committee is the Chair of the Trust. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting, subject to 3.2 below.

3.2 Where:

- the appointment or removal of an Executive Director is to be considered; or
- the Committee considers recommended salary increases in excess of the national NHS uplift the Chief Executive or, in the Chief Executive's absence, the Deputy Chief Executive, shall also be a member of the Committee.

3.3 The Chief People Officer and the Trust Secretary or equivalent, will also attend Committee meetings, unless considered inappropriate.

4. Quorum

4.1 The quorum will be four members, comprising three Non-Executive Directors and the Chair, subject to 4.2 below.

4.2 Where:

- the appointment or removal of an Executive Director is to be considered; or
- the Committee considers recommended salary increases in excess of the national NHS uplift the Chief Executive or in the Chief Executive's absence, the Deputy Chief Executive, shall also be required for quorum.

5. Frequency of meetings

5.1 The Nominations and Remuneration Committee will meet twice a year and as when circumstances dictate and may 'meet virtually', provided that the quorum requirements referred to above are met.

5.2 The committee shall meet at least bi-annually.

5.3 Members are expected to attend a minimum of 75% of Committee meetings.

6. Specific Duties

6.1 The Nominations and Remuneration Committee will:

- Promote the Trust's objectives and values in its work;

- bi-annually review the structure, size and composition (including the skills, knowledge and experience) required of the Executive Directors of the Board as a whole and make recommendations to the Board as appropriate;
- Be responsible for identifying and nominating a candidate, for approval by the Council of Governors, to fill the position of Chief Executive;
- Before an Executive Director appointment is made, the Chief Executive must evaluate the balance of skills, knowledge and experience across the team, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Committee will seek to ensure that this has been completed and input where necessary.
- 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, on merit against objective criteria;
- Monitor and evaluate the performance of individual Executive Directors and consider any matter relating to the continuation in office of any Executive Director at any time including the suspension or termination of service of an individual as an employee of the Trust. Where such matters are discussed, the Chief Executive will be present. The Chief Executive will not be present when the committee is dealing with matters concerning his/her own appointment or removal;
- Ensure a formal and transparent procedure for developing policy on Executive remuneration and contractual terms of individual directors. Ensure levels of remuneration are sufficient to attract, retain and motivate Executive Directors of the required quality, whilst adhering to all relevant laws, regulations, Trust policy and remaining cost effective;
- Make decisions as to Executive Director remuneration in accordance with the Trust's Policy on Executive and Senior Management Remuneration; and for the Trust Secretary role as this is accountable to the Board
- Consider the exit arrangements which need to put in place to address poor performance of any Executive Director;
- Consider all non-contractual severance payments and redundancy payments in excess of £100, 0000.

7. Sub Committees

7.1 The Committee does not have sub committees. If task and finish 'groups' were to be established they would require approval by the Committee.

8. Administrative support

8.1 The Nomination and Remuneration Committee will have a standard agenda and accompanying work plan. At every meeting, the following items will be on the agenda:

1. Apologies for absence
2. Declarations of Interest
3. Minutes of the previous meeting
4. Business to be transacted by the Committee – workplan
5. Any Other Business
6. Date of next meeting

8.2 All Minutes of the Nominations and Remuneration Committee will be presented in a standard format.

8.3 All meetings will receive an action log (detailing progress against actions agreed at the previous meeting) for the purposes of review and follow-up.

8.4 Minutes and agenda to be circulated by Trust Secretary or equivalent.

9. Accountability and reporting arrangements

9.1 The Committee/Group/Board shall be directly accountable to the Trust Board.

9.2 The Committee Chair shall provide a report to the Trust Board (and where appropriate the Council of Governors) after each meeting to outline areas of key discussion and any decisions taken and any issues for escalation.

9.3 The minutes of the committee meetings shall be formally recorded and submitted to the next meeting of the Board following their approval.

9.4 The Nominations and Remuneration Committee agenda, papers and minutes are considered to be confidential.

10. Monitoring effectiveness and compliance with Terms of reference

10.1 The Committee/Group/Board shall carry out an annual review of its effectiveness against its terms of reference.

11. Review of the Terms of Reference

11.1 The Committee will review these Terms of Reference on an annual basis as part of a self-assessment of its own effectiveness. Any

recommended changes brought about as a result of the yearly review, including changes to the Terms of Reference, will require approval of the Board of Directors.

Date approved by the Nominations and Remuneration Committee: 21 December 2020

Date approved by the Trust Board: 05 Jan 2021

Next review date: January 2022