

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE AND OPERATING ARRANGEMENTS 2024/25

#### 1. INTRODUCTION

- 1.1. The Trust's Standing Orders provide that *"The Board may and, where directed by the Welsh Government must, appoint Committees of the Trust either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees"*.
- 1.2. In line with Standing Orders and the Trust's Scheme of Delegation, the Board shall nominate annually a committee to be known as the **Remuneration Committee**. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.
- 1.3. The Board Committees play an important role in supporting the Board in fulfilling its responsibilities by:
- providing advice on strategic development and performance within the terms of reference;
  - undertaking scrutiny and gaining assurance on key aspects of organisational performance, and supporting achievement of the Trust's strategic goals;
  - carrying out specific responsibilities on the Board's behalf; and
  - providing a forum where ideas can be explored in greater detail than Board meetings are able to allow, providing time and space to consider issues in greater depth.

Regular and timely reporting and escalations to the Board on the issues within the Committee's remit allow for more focused discussions by the Board.

#### 2. PURPOSE

The purpose of the Remuneration Committee (the Committee) is to:

- 2.1. Approve on behalf of the Board matters relating to the appointment, termination, remuneration, terms of service and appraisal for the Chief Executive, Executive Directors, and other senior staff (including Interim

Director roles) within the framework set by the Welsh Government and in accordance with the Standing Orders; and

- 2.2. Approve proposals regarding termination arrangements, including those under the Voluntary Early Release Scheme, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance.
- 2.3. Provide assurance to the Board in relation to the Trust's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.
- 2.4. The committee shall, in carrying out its functions and responsibilities, consider how their decisions secure an improvement in the quality of health services (the duty of quality) as outlined in The Health and Social Care (Quality and Engagement) (Wales) Act 2020. This includes but is not limited to ensuring the provision of high-quality, safe, and effective healthcare services that meet the needs of patients, service users, and their families.
- 2.5. The committee shall demonstrate the duty of quality through its own operating arrangements, ensuring that its processes, procedures, and decision-making mechanisms uphold the highest standards of transparency, accountability, and governance. It shall regularly review and refine its operating procedures to align with best practices and legal requirements, fostering an environment of continuous improvement. Furthermore, the committee shall monitor, assess, and report on the implementation of Health and Care Quality Standards, outcomes, and performance indicators where relevant within their remit.

### 3. DELEGATED POWERS AND AUTHORITY

The Committee will support the Board with regard to its responsibilities for remuneration and terms of service and will:

- 3.1. Provide assurance to the Board in relation to the Trust's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales. The Committee will review the annual Remuneration Report and approve its contents, by way of email circulation where necessary.

- 3.2. Approve the remuneration and terms of service for the Chief Executive, Executive Directors, and other Very Senior Managers (VSMs) not covered by Agenda for Change, ensuring that the policies on remuneration and terms of service as determined from time to time by the Welsh Government, are applied consistently.
- 3.3. Approve the appointment of the Chief Executive and Executive Directors (officer members of the Board) and where applicable, interim appointments to those roles.
- 3.4. Terminate appointments and suspend officer members in accordance with the provision of regulations.
- 3.5. Consider the appraisal of officer members of the Board.
- 3.6. Approve the appointment, appraisal, discipline and dismissal of any other board level appointments (including where applicable, interim appointments to these roles) and other senior employees, in accordance with Welsh Government Ministerial instructions, e.g., the Board Secretary.
- 3.7. Consider and approve redundancy and Voluntary Early Release (VERs) applications, noting that where the settlement is £50,000 or above subsequent agreement of Welsh Government is required.
- 3.8. Approve proposals for novel employment and pay cases, such as settlement agreements, overtime payments, and non-disclosure agreements, ensuring Welsh Government advice has been sought and considered.

### **Corporate Risks and Audit Recommendation Tracker**

- 3.9. The Committee will monitor the principal risks relevant to its remit and consider the control and mitigation of high level related risks and provide assurance to the Board that such risks are being effectively controlled and managed. It will also review any audits relevant to its remit.

### **Authority**

- 3.10. The Committee is authorised to approve those matters listed above.
- 3.11. The Committee is authorised by the Trust Board to investigate, or have investigated, any activity within its terms of reference. In doing so, it will have the right to seek any information it requires from any employee or inspect any books, records, or documents relevant to its remit, ensuring patient/client and staff confidentiality as appropriate. All employees are directed to cooperate with any reasonable request made by the Committee.

- 3.12. The Committee is authorised by the Board to obtain outside legal advice or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Trust’s procurement, budgetary and other requirements.
- 3.13. There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. This is most likely, but not exclusively, to arise with respect to approval of policies particularly given the current backlog.
- 3.14. In these circumstances, the Chair, and the Lead Executive (Director of People and Culture), supported by the Board Secretary as appropriate, may deal with the matter on behalf of the Committee after first consulting with at least two other Members (Non-Executive Directors).
- 3.15. The Board Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

### **Sub-Committees**

- 3.16. The Committee may establish sub-committees or task and finish groups to carry out on its behalf specific aspects of Committee business. Formal sub-committees may only be established with the agreement of the Board.

## **4. MEMBERSHIP**

### **Members**

- 4.1. The membership of the Committee will comprise:

Chair	Trust Board Chair
Members	All Non-Executive Directors of the Board, including the Audit Committee Chair.

### **Prescribed Attendees**

- 4.2. The membership will be supported routinely by the following core attendance:
- Chief Executive
  - Director of People and Culture (Committee Lead)
  - Board Secretary
  - Trade Union Partner (x2)

Depending upon the sensitivities being discussed, the Chair may request that core attendees are not in attendance.

- 4.3. The Committee Chair may extend invitations to attend committee meetings to other Directors and/or Senior Managers, and to officials from within or outside the organisation to attend all or part of the meeting to assist with its discussions on any particular matter. In particular, the Executive Director of Finance and Corporate Resources may be asked to attend where VERS or other settlement applications are being considered.
- 4.4. Members may send deputies in their absence who will act with their full authority. To instigate a substitution arrangement, the member of the Committee must notify the Board Secretary before the day of the meeting that he/she is unable to attend and the name of the member who will attend as the substitute.

### **Member Appointments**

- 4.5. The membership of the Committee shall be determined by the Board, based on the recommendation of the Trust Chair, taking account of the balance of skills and expertise necessary to deliver the committee's remit, and, subject to any specific requirements or directions made by the Welsh Government.
- 4.6. Non Executive Members shall be appointed to hold office for a period of one year at a time, (Membership being reviewed by the Chairman of the Board on an annual basis) up to a maximum of their term of office. During this time a member may resign or be removed by the Board.
- 4.7. Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the Trust Chair and, where appropriate, on the basis of advice from the Trust's Remuneration Committee.

### **Secretariat and Support to Committee Members**

- 4.8. The Board Secretary, on behalf of the Committee Chair, shall:
  - (a) arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
  - (b) ensure the provision of a programme of organisational development for committee members, as part of the Trust's overall board development programme developed by the Director of People and Culture

## 5. COMMITTEE MEETINGS

### Quorum

- 5.1. At least three members of the Committee must be present to achieve a quorum. In the absence of the Committee Chair, one of those in attendance must be designated as Chair of the meeting.

### Frequency of Meetings

- 5.2. Meetings shall be held no less than quarterly or otherwise as the Chair of the Committee deems necessary, consistent with the Trust's annual plan of Board Business. Meeting agendas, papers and minutes shall be circulated no less seven days prior to each meeting.

### Withdrawal of individuals in attendance

- 5.3. The Committee may ask any member or individual who is normally in attendance but who is not a member to withdraw to facilitate open and frank discussion of any particular matter.

## 6. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/ GROUPS

- 6.1. The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 6.2. The Committee, through its Chair and members, shall work closely with the Board's other committees and groups to provide advice and assurance to the Board through the:
- (a) Joint planning and co-ordination of Board and Committee business; and
  - (b) Sharing of appropriate information;
- in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall assurance framework.
- 6.3. The Committee will consider the assurance provided through the work of the Board's other committees and subgroups to meet its responsibilities for advising the Board on the adequacy of the Trust's overall framework of assurance.

- 6.4. The Committee shall embed the Trust's corporate standards, priorities, and requirements, e.g., equality and human rights through the conduct of its business.

## 7. REPORTING AND ASSURANCE ARRANGEMENTS

- 7.1. The Committee Chair shall:
- (a) report formally, regularly and on a timely basis to the Board and the Chief Executive (Accountable Officer) on the Committee's activities. This includes verbal updates on activity, the submission of Committee minutes and written reports where appropriate throughout the year;
  - (b) bring to the Board and the Chief Executive (Accountable Officer's) specific attention any significant matter under consideration by the Committee; and
  - (c) ensure appropriate escalation arrangements are in place to alert the Trust Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the Trust.
- 7.2. The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation including that of any sub committees established.

## 8. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

- 8.1. The requirements for the conduct of business as set out in the Trust's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:
- Quorum (as set out in section 5)
  - The Committee meets in private due to the sensitivity of its deliberations.

## 9. REVIEW

- 9.1. These terms of reference and operating arrangements shall be reviewed at least annually but more frequently if required.