**Remuneration and Nominations Committee**

**Terms of Reference**

**Issue Sheet**

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| 3 | 17/09/2024 | David Jukes | NHSBSA Board | Annual Review. |
| 2 | 14/09/2023 | David Jukes / Katie Wilkie | NHSBSA Board | Annual Review. Annual Chair Effectiveness Review added. Clarity improved on ‘next tier’ for succession planning. Updated aligned to GAC guidelines.  |
| 1 | 29/09/2022 | Carol Maughan | NHSBSA Board | Annual review. Addition of corporate cover sheet, in line with Document Management and Control Policy.  |

1. **CONSTITUTION**

The Remuneration and Nominations Committee is formally established as a Committee of the NHS Business Services Authority Board. The Board will determine its terms of reference and any delegated authority.

1. **MEMBERSHIP**

The Committee will comprise of three Non-Executive Members of the Board, one of which will be appointed as Chair of the Committee.

The Committee shall be quorate providing there are two members present. Details of the membership shall be given in the NHSBSA’s Annual Report.

1. **ATTENDANCE**

In addition to the members, it is expected the Chief Executive and Director of People and Corporate Services shall normally attend meetings of the Committee. Other Executive Directors or NHSBSA staff may be invited to attend for specific items.

Neither the Chief Executive, Director of People and Corporate Services or any Executive Director shall be present during discussions in relation to their own remuneration, performance and terms of service.

1. **FREQUENCY**

The Committee shall meet as required but no less than twice each financial year. Additional meetings can be called as required by the Chair of the Committee.

1. **DUTIES**

The Committee will:

Remuneration and Terms of Service

* In line with the NHS Executive and Senior Managers (ESMs) Pay Framework and other relevant guidance issued by the Department of Health and Social Care, determine the remuneration and other contractual arrangements for ESM posts. This should ensure that they are fairly rewarded, and their terms of service are competitive and appropriate.
* In line with the current Pay Guidance, the Committee has the accountability to appoint roles to the Agenda for Change framework. Such appointments are delegated to the NHSBSA Leadership Team, with the Committee reviewing every 6 months all salaries over £100k including those posts which are taken above £100k by the application of a recruitment and retention premia.
* The Committee will also approve any clinical appointments below £150,000 where the colleague is appointed on their existing package.
* Approve the replacements for existing roles at ESM 1 and ESM 2 to be filled up to the operational maximum (including secondment arrangements).
* Within the guidelines established by the Department of Health and Social Care, agree performance bonuses and any additional responsibilities payments for ESM posts.
* Ensure adequate arrangements are in place for the Chair of the Board to evaluate the performance of the Chief Executive and for the Chief Executive to evaluate the performance of ESM posts.
* In line with Department of Health and Social Care guidance, oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and ESMs.
* For the avoidance of doubt, the Committee should seek prior approval via a business case from the Department of Health and Social Care’s Remuneration Committee for:
	+ all new ESM roles;
	+ ESM1 and ESM 2 replacements with a salary above the operational maximum (including secondment extensions);
	+ All ESM 3 and above roles;
	+ Chief Executive role;
	+ All ESM retire/return cases;
	+ ESM pay awards;
	+ Clinical appointments with a salary package of £150,000 and above;
	+ ESM salary increases for existing colleagues that are not part of the annual pay award;
	+ All requests for use of RRP for ESM posts up to 10% (if RRP exceeds 10% the case will require both Department of Health and Social Care Remuneration Committee and Chief Secretary to the Treasury approval).
* In accordance with the Department of Health and Social Care delegated limits to ALBs, in advance of submission to the Department’s HR Governance and Assurance Committee (GAC), the Committee shall approve:
* individual redundancies with capitalised costs over £100k;
* bulk exits of 10 or more redundancies, any value;
* payments in Lieu of Notice (PILON) £50k or above;
* all special severance payments;
* all novel, contentious or repercussive cases (e.g. financial incentive or retention payments);
* Civil Service exits over £95k or bulk exit of 10 or more.

The Committee will also receive all other submissions to GAC for information.

* Ensure appropriate details of Board Members’ remuneration and other benefits are accurately published in the Annual Report.

Nominations

* Regularly review and make recommendations to the Board with regard to any changes to the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, both executive and non-executive, to ensure the continued ability of the organisation to deliver its strategic objectives.
	+ Offer suitable advice and information to support the process operated by the Department of Health and Social Care for the appointment (or proposed re-appointment) of the Chair or Non-Executive Members of the Board.
* In line with the NHSBSA’s statutory instruments 2005 (number 2415), work with the NHSBSA Chief Executive, to identify and nominate for the approval of the Board, candidates to fill executive Board vacancies as and when they arise. When appointing to the role of Chief Executive, the Committee will support the Chair of the Board as necessary.
* Regularly review succession planning arrangements to ensure a stable, experienced and viable team is in place at executive level.
* Make recommendations to the Board concerning suitable candidates for the role of senior independent director.
1. **REPORTING**

The Chair of the Committee shall report on the business of the Committee at the next formal Board meeting. Confirmed minutes, or a summary if deemed too confidential, shall be submitted to the Board.

The Committee shall undertake an assessment of its effectiveness each year and submit to the Board.

The Committee shall oversee an assessment of the NHSBSA Chair’s effectiveness each year.

1. **REVIEW**

The Committee will review its terms of reference annually and submit to the Board for approval.

*March 2024*