

# **NHS BUSINESS SERVICES AUTHORITY**

## **Remuneration and Nominations Committee**

### **Terms of Reference April 2019**

#### **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.

#### **2. 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 2 members present. Details of the membership shall be given in the NHSBSA's Annual Report.

#### **3. ATTENDANCE**

In addition to the members, it is expected the Chief Executive and Director of 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 Corporate Services or any Executive Director shall be present during discussions in relation to their own remuneration, performance and terms of service.

#### **4. 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.

#### **5. 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, 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 current Pay Framework guidance, the Committee should approve prior to submission to the DH Remuneration Committee, the remuneration and contractual arrangements for other senior manager posts evaluated under Agenda for Change and attracting a salary over £100k including recruitment and retention or additional responsibilities allowance. This applies to permanent, fixed term and interim appointments. The Committee will also review annually all salaries over £100k including those posts which are taken above £100k by the application of a recruitment and retention premia.
- For the avoidance of doubt, the Committee should seek prior approval via a business case from the Department of Health's Remuneration Committee for:
  - the salaries and appointment of the ESM posts;
  - all posts that attract a salary of £142.5k and above;
  - all new ESM posts;
  - all new posts, ESM/Agenda for Change (AfC) (or equivalent) that attract a salary over £100k (including Recruitment and Retention Premia (RRP)/Additional Responsibilities Allowance (ARA), this covers permanent, fixed term and interim appointments;
  - all requests for use of RRP for ESM posts up to 10% (if RRP exceeds 10% the case will require both DH Remuneration Committee and Chief Secretary to the Treasury approval);
  - RRP for Agenda for Change posts only if RRP takes the salary over £100k.
- Within the guidelines established by the Department of Health, 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 guidance, oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and ESMs.
- In accordance with the DH delegated limited to ALBs, in advance of submission to the DH HR Governance and Assurance Committee (GAC), the Committee shall approve:
  - individual redundancies with capitalised costs over £100k
  - payments in Lieu of Notice (PILON) £50k or above

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 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 and next tier.
- Make recommendations to the Board concerning suitable candidates for the role of senior independent director.

## **6. 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.

## **7. REVIEW**

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

*April 2019*