

Item 6.1g

Nominations and Remuneration (Executive) Committee

terms of
reference

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Scope: Trust Wide	Classification: Terms of Reference
Replaces: Nominations, Remuneration & Succession Committee Terms of Reference (for Executive appointments), v3.1 and Nominations and Remuneration (Executive) Committee Issue no. 2.1	
To be read in conjunction with the following documents: LHCH Constitution	
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1. **Purpose of the Committee**

This Committee is established as a Committee of the Board of Directors of Liverpool Heart and Chest Hospital NHS Foundation Trust in order to ensure effective governance in respect of executive director and associate director appointments, succession planning, the remuneration of executive and associate directors.

2. **Authority**

The committee is authorised by the Board of Directors **to make decisions and** to investigate any activity within its terms of reference. It is authorised to seek information it requires of any employee (or contractor acting on behalf of the Trust) and all employees (or contractors acting on behalf of the Trust) are directed to co-operate with any request made by the committee. The committee is authorised to obtain legal advice or other professional advice from internal or external sources.

3. **Objectives**

3.1 **Nominations – Executive and Associate Directors:**

- 3.1.1 To monitor and review the composition of executive and associate directors in terms of size and balance of experience, skills and qualifications.
- 3.1.2 **To appoint or remove the Chief Executive, executive directors and associate directors (NB the appointment of the CEO must be approved by the Council of Governors).**
- 3.1.3 To ensure compliance with the terms of LHCH constitution and best governance practice with regard to the processes for making executive director and associate director appointments to the Board of Directors.
- 3.1.4 To authorise release dates following resignation/ removal of an executive director from office, where these are earlier than completion of the contractual notice period, having regard to a full risk assessment of the circumstances, including consideration of potential 'Acting Up' arrangements,

3.2 **Remuneration - Executive and Associate Directors:**

- 3.2.1 To decide and review the terms and conditions of service of the foundation trust's executive directors and associate directors in accordance with all relevant foundation trust policies, including:
 - Salary, including any performance-related pay or bonus
 - Provisions for other benefits, including pensions and cars; and
 - Allowances.
- 3.2.2 To monitor and evaluate the performance of individual executive directors and associate directors.
- 3.2.3 To adhere to all relevant laws, regulations and NHS policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate executive and associate directors whilst remaining cost effective.
- 3.2.4 To advise upon and oversee contractual arrangements for executive directors **and associate directors**, including but not limited to termination payments.
- 3.2.5 To keep under review executive and associate director development and succession planning.

4. **Equality and Diversity**

Ensure that equality and diversity and due consideration to the Human Rights Act are regarded in all aspects of the committee's work.

In addition the Committee will have regard for NHS constitution in delivering its objectives.

5. **Membership**

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The Committee shall consist of:

- The foundation trust chair (who will chair the committee) – nominated deputy is the Deputy Chair
- All non executive directors

6. **Attendance**

Meetings of the Committee may be attended by:

- **The Chief Executive**
- Director of Corporate Affairs (in capacity as Company Secretary) to record the decisions of the Committee and to advise on constitutional matters relating to Nominations.
- **Director of Strategy and Organisational Development to provide HR advice and support to the Committee.**
- Any other person who has been invited to attend the Committee so as to assist in deliberations.

No officer shall be present for discussions about his / her own remuneration or performance.

7. **Conflicts of Interest**

Notwithstanding the definition of material interests applicable to directors as set out in the constitution, the Chief Executive will through the nature of his / her role, be deemed to have an interest in the following matters:

- i) The appointment and removal of the Chief Executive
- ii) The remuneration of the Chief Executive and of members of the executive team

It will be for the Chair of the Committee to determine whether or not it is appropriate for the Chief Executive to be in attendance to advise on these matters. In such circumstances where the Chief Executive is in attendance he/ she will not have a vote or participate in the decision of the Committee.

8. **Quorum and Frequency**

A quorum shall be 3 non executive directors. Meetings shall be held at least annually. There will be a scheduled meeting each year to receive the outcome of executive team appraisals, any recommendations on remuneration and to review the executive team succession plan.

9. **Minutes and Reporting**

8.1 The minutes of all meeting shall be formally recorded. These shall be retained by the Director of Corporate Affairs, on behalf of the Chair and not shared with officers, including Directors.

8.2 The Committee shall ensure that Board of Directors' emoluments are accurately reported in the required format in the foundation trust's annual report.

10. **Conduct of Committee Meetings**

The terms of reference shall be reviewed by the Board of Directors at least every 3 years.