Great Ormond Street Hospital for Children NHS Foundation Trust

Trust Board Remuneration Committee

Terms of Reference

1. Authority

1.1 The Trust Board Remuneration Committee is constituted as a standing committee of the foundation trust's board. Its constitution and terms of reference shall be as set out below, subject to amendment at future meetings.

1.2 The Remuneration Committee is authorised by the trust board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the remuneration committee.

1.3 The Remuneration Committee is authorised by the trust board to instruct professional advisors and request the attendance of individuals and authorities from outside the foundation trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise its functions.

1.4 The Remuneration Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

2. Role

2.1 Determine and agree with the board the framework of remuneration for the board executive directors and designated senior managers;

2.2 To decide and review the terms and conditions of office of the foundation trust's board executive directors in accordance with all relevant foundation trust policies, including:

- Total remuneration, including any performance-related pay or bonus
- Provisions for other benefits, including pensions;
- Termination and/or severance payments
- Allowances.

2.3 To monitor and evaluate the performance of individual board executive directors.

2.4 Where appropriate to authorise:

- Any non-contractual payments that have to be reported to HM Treasury (via NHSI);
- Any business cases for redundancy for any staff reporting directly to the Chief Executive or another executive director, or where the value exceeds £100k, or where the business case requires reporting to HM Treasury;
- The structure, payment criteria and targets for any bonus or incentive scheme proposed by the executive;

- The terms and conditions for any permanent staff outside of nationally agreed pay frameworks;
- Payments in settlement of an employment tribunal claim.

2.5 To monitor redundancy/ capitalised pension costs for all staff groups.

2.6 To adhere to all relevant laws, regulations and policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate executive directors whilst remaining cost effective.

2.7 To review recommendations for provision of other benefits/ allowances for staff groups including clinical excellence awards by the Employer Based Awards Committee.

2.8 The chair is authorised to approve the following outside the meeting:

2.8.1 any redundancy/ capitalised pension cost in excess of £100,000;
2.8.2 Salaries for newly advertised director posts.

2.9 Where such actions are taken, these will be reported to the next meeting of the committee.

3. Membership and attendance

3.1 A non-executive director will chair the committee.

3.2 All other non–executive directors, including the chair of the trust board shall be members of the committee.

3.3 The chief executive and Director of Human Resources and Organisational Development shall normally be invited to attend meetings in an advisory capacity.

3.4 Other members of staff and external advisers may attend all or part of a meeting by invitation of the committee chair where required.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be 3 members including the chair of the committee.

5. Secretary

5.1 The company secretary shall be secretary to the committee.

6. Frequency of meetings

6.1 The committee shall meet at least twice a year, normally in March and November.

7. Minutes and reporting

7.1 The minutes of all meetings of the remuneration committee shall be formally recorded.

7.2 The remuneration committee will report to the full trust board after each meeting.

7.3 The remuneration committee shall ensure that board's emoluments are accurately reported in the required format in the foundation trust's annual report.

8. Performance evaluation and training

8.1 The remuneration committee shall review its collective performance and that of its individual members on a regular basis.

8.2 Members of the remuneration committee should seek continually to develop and refresh their knowledge of current remuneration practices.

9. Review

9.1 The terms of reference of the committee shall be reviewed by the Board of Directors at least bi-annually.

Approved July 2019