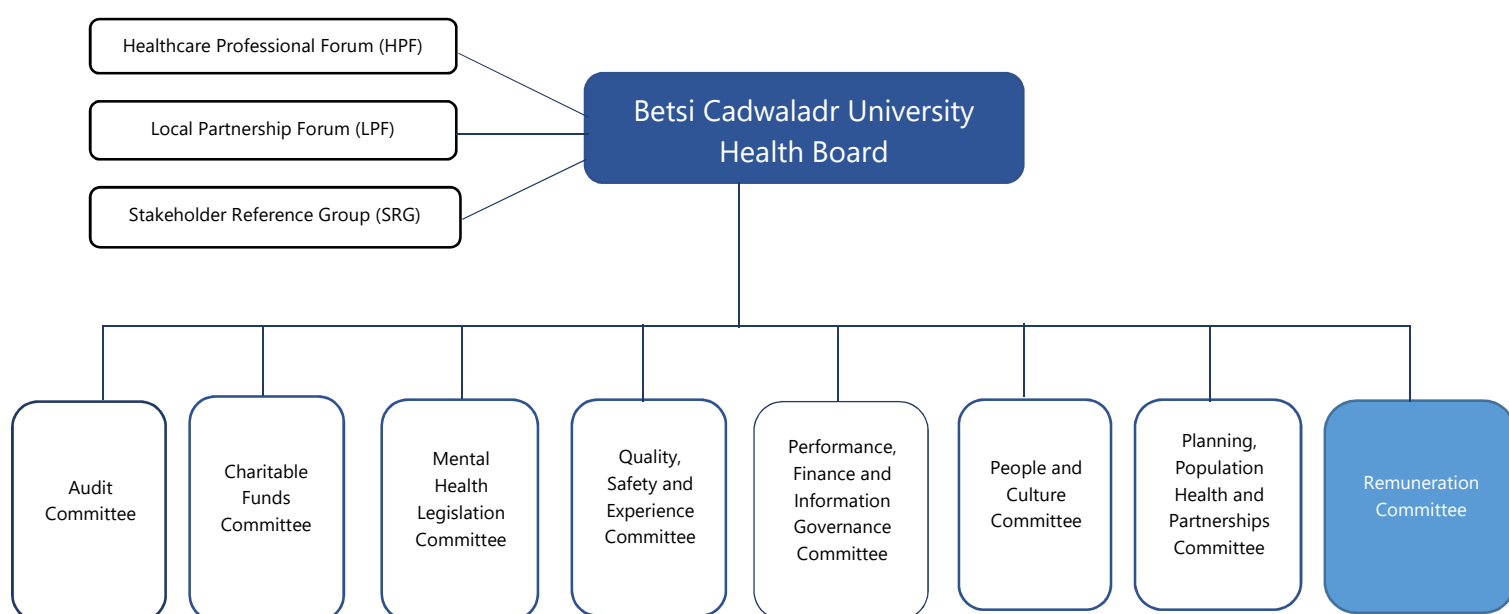


## REMUNERATION COMMITTEE

### TERMS OF REFERENCE



Version	Issued to	Date	Comments
V0.01 Draft	Audit Committee	16/11/23	Developed as a first draft for review by Audit Committee on 16/11/23
V0.02 Draft	TOR meeting with Committee Chair & Executive Lead	19/12/23	Developed as a draft for review with Committee Chair and Executive Lead. The ToR were also reviewed at the Remuneration Committee held on 23/01/24
V0.03 Draft	Health Board	18/01/24	Final Draft for consideration by the Health Board to be held on 25/01/24
V1.00 Approved		25/01/24	Approved by the Health Board

## **1) Introduction**

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- 1.1 The Betsi Cadwaladr University Health Board (BCUHB) shall establish a Committee to be known as the Remuneration Committee. The Committee is an independent Committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference. The detailed operating arrangements in respect of this Committee are set out below. The Committee has no power to modify or develop pay schemes.

## **2) Purpose**

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- 2.1 The purpose of the Remuneration Committee is to provide advice to the Board on the Health Board'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.
- 2.2 The Committee will approve, on behalf of the Board, the remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by Welsh Government.

## **3) Responsibilities of the Committee and Delegated Powers**

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- 3.1 The Remuneration Committee is required by the Board to provide oversight and assurance on:
- 3.1.1 The objectives for Executive Directors and other VSMs and their performance assessment.
  - 3.1.2 Performance management systems in place for those in the positions mentioned above and its application.
  - 3.1.3 Proposals to make additional payments to medical Consultants outside of normal terms and conditions.
  - 3.1.4 Proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the provision of the Regulations and in accordance with Ministerial instructions.
  - 3.1.5 Proposals to approve Voluntary Early Release applications and redundancy/severance payments in respect of Executive Director/Director posts, in line with Standing Orders and extant Welsh Government guidance: the Committee should be advised also of all Voluntary Early Release Scheme applications and severance payments and should approve or reject them.
  - 3.1.6 The appropriateness of any Strategic Advisor arrangements, including scope and pay: the Committee must approve any such arrangements.

- 3.2 The Remuneration Committee is required by the Board, within the remit of the Committee to:
  - 3.2.1 Oversee and provide evidence based and timely advice to the Board on relevant risks and concerns.
  - 3.2.2 Receive the results of relevant audits (clinical and non-clinical) and any other relevant investigations and provide the Board with evidence-based impact assessment of the implementation of the recommendations.
- 3.3 The Remuneration Committee is authorised by the Board to comment specifically upon:
  - 3.3.1 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.
  - 3.3.2 The objectives set by the Chief Executive for those who report directly to him/her.
  - 3.3.3 Proposals to make additional payments to consultants outside national terms of service.
  - 3.3.4 Proposals regarding resignation and exiting arrangements for executives and very senior managers, ensuring the proper calculation and scrutiny of payments in accordance with the relevant Welsh Government guidance.
  - 3.3.5 Removal and relocation expenses outside standard policy.
- 3.4 The Committee should consider and approve any Voluntary Early Release Scheme in line with Standing Orders and extant Welsh Government guidance.
- 3.5 The Committee must monitor compliance with issues of professional registration, including the revalidation processes for medical and dental staff and registered nurses, midwives and health visitors and all other registered professionals.
- 3.6 The Committee must consider:
  - 3.6.1 Reports on behalf of the Board giving an account of progress where any exclusion in respect of Upholding Professional Standards in Wales (UPSW) has lasted more than six months.
  - 3.6.2 Reports on behalf of the Board giving an account of progress on performers' list regulatory cases.
  - 3.6.3 Reports on behalf of the Board on the position as regards whistleblowing and Speak Out Safely affecting executives and senior managers.

- 3.7 The Committee must consider specifically the Executive Director/VSM Update Report which should include an appendix to the report highlighting all VSM posts in one place.
- 3.8 The Committee should assure the Board in relation to its compliance with relevant national practice, mandatory guidance, healthcare standards and duties, including Duty of Quality, Duty of Candour, Quality Standards and Quality Management ensuring the Board is supported to make strategic decisions from a quality perspective.
- 3.9 The Committee should seek assurance that those individuals who report directly to the Chief Executive have set objectives for their own direct reports, and that appropriate and timely performance reviews are planned/ have taken place.

#### 4) Membership

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- 4.1 Formal membership of the Committee shall comprise of the following:

MEMBERS
Independent Member (Chair)
NB: The Chair of the Health Board will be the Chair of this Committee
All Independent Members (one of whom will be designated as Vice Chair)
The Chair of the Audit Committee will be appointed to this Committee either as Vice-Chair or a member (to be agreed with Chair of the Health Board)

- 4.2 The following should attend Committee meetings:

IN ATTENDANCE
Executive Director of Workforce & Organisational Development (Executive Lead)
Chief Executive
Director of Corporate Governance
Other Executive Directors as required by the Chair

- 4.3 The attendance of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking into account 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.
- 4.4 Membership of the Committee will be reviewed on an annual basis.
- 4.5 Other Directors/Officers will attend as required by the Committee Chair, as well as any others from within or outside the organisation whom the Committee considers should attend, taking into account the matters under consideration at each meeting.
- 4.6 The Executive Director of Finance may be invited to attend as required, and will be consulted on any paper to be submitted to the Committee that may have financial implications.

## 5) Quorum and Attendance

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- 5.1 A quorum shall consist of at least three Independent Members, one of whom should be the Committee Chair or Vice-Chair. In the interests of effective governance, it is expected that a minimum of two Executive Directors will also be in attendance.
- 5.2 Any senior officer of the Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.
- 5.3 The Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 5.4 Should any 'in attendance' officer members be unavailable to attend, they may nominate a deputy to attend in their place, subject to the agreement of the Chair.
- 5.5 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

## 6) Agenda and Papers

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- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Executive Lead (Executive Director of Workforce & Organisational Development) at least six weeks before the meeting date.
- 6.2 The agenda will be based on the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Executive Lead.
- 6.4 The agenda and papers will be distributed/published seven days in advance of the meeting.
- 6.5 A draft table of actions will be issued within two days of the meeting. The minutes and table of actions will be circulated to the Committee Chair and Executive Lead within seven days to check the accuracy, prior to sending to Members to review within the next seven days.
- 6.6 Members must forward amendments to the Committee Secretary within the next seven days. The Committee Secretary will then forward the final version to the Committee Chair for final review.

## **7) In Committee**

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- 7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.

## **8) Meetings**

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- 8.1 The Committee will meet bi-monthly and an annual schedule of meetings will be determined by the corporate calendar.
- 8.2 The Committee may be convened at short notice if requested by the Chair.
- 8.3 Any additional meetings will be arranged under exceptional circumstance and shall be determined by the Chair of the Committee in discussion with the Executive Lead.
- 8.4 The Committee may, subject to the approval of the Health Board, establish Groups to carry out on its behalf specific aspects of Committee Business.
- 8.5 Meetings may be held in person where it is safe to do so or by video-conferencing and similar technology.
- 8.6 The Committee Secretary shall be determined by the Director of Corporate Governance.

## **9) Reporting**

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- 9.1 The Committee, through its Chair and members, shall work closely with the other Committees to provide advice and assurance to the Board through joint planning and co-ordination of Board and Committee business including sharing information.
- 9.2 The Committee Chair, supported by the Committee Secretary, shall:
- Report formally, regularly and on a timely basis to the Board on the Committee's activities;
  - Bring to the Board's specific attention any significant matter under consideration by the Committee; and
  - Ensure appropriate escalation arrangements are in place to alert the Health Board's Chair, Chief Executive and/or Chairs of other relevant Committee, of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.
- 9.3 The Committee will undertake an annual review on the effectiveness of its arrangements and responsibilities. The Director of Corporate Governance will oversee this review.

## 10) Accountability, Responsibility and Authority

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- 10.1 Although the Board has delegated authority to the Committee for the exercise of certain functions, as set out in these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.
- 10.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 10.3 The requirements for the conduct of business as set out in the Health Board's Standing Orders are equally applicable to the operation of the Committee.
- 10.4 The Committee may investigate or have investigated any activity (clinical and non-clinical) within its terms of reference. It may seek relevant information from any:
- Employee - and all employees are directed to cooperate with any legitimate request made by the Committee; and
  - Other committee, sub-committee or group set up by the Board to assist it in the delivery of its functions.
- 10.5 It may also obtain outside legal 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 Board's procurement, budgetary and other requirements.
- 10.6 The Chief Executive will present for approval:
- Any new or amended senior manager roles who are regular Board attenders (or amendments to statutory Officer roles)
  - All proposed senior interim appointments that exceed the top of the relevant salary banding.
- 10.7 The Committee will monitor and approve interim senior manager appointments as follows:
- Range up to £500/day – quarterly report summarising number, location, duration and cost of supernumerary interim appointments.
  - Range £501-£1,000/day – all interim roles to be reported on individually including whether supernumerary or covering an established vacancy
  - Over £1000/day – role and maximum pay to be agreed in advance for up to six months unless it is to cover an Officer member absence or vacancy; (or in support of a declared Major Incident) with quarterly monitoring.
- 10.8 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference.
- 10.9 The Committee shall embed the corporate goals and priorities through the conduct of its business, and in doing and transacting its business shall seek assurance that adequate consideration has been given to the sustainable development principle and in meeting the requirements of the Well-Being of Future Generations Act.

## **11) Review Date**

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- 11.1 These Terms of Reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.