East Suffolk and North Essex NHS Foundation Trust

Remuneration and Nomination Committee

Terms of Reference

1. Committee name and purpose

1.1. The Committee is named as the 'Remuneration and Nomination Committee'.

1.2. The Committee is formed to

1.2.1. Make decisions about the appointment of the Chief Executive, subject to the approval of the Council of Governors, under paragraph 17(3/5), Schedule 7, *National Health Service Act 2006*[1];

1.2.2. Make decisions about the appointments of Executive Directors, under paragraph 17(4), Schedule 7, *National Health Service Act 2006*[2];

1.2.3. Make decisions about the appointment of other voting and non-voting Executive Director attendees of the Board (who are not statutory Directors within the 2006 Act)[3];

1.2.4. To make decisions about the removal of Executive Directors as required.

1.2.5. Review the outcomes of the appraisals for the Chief Executive and other Executive Directors;

1.2.6. In consultation with the Council of Governors, consider and make recommendations on the size, structure and composition of the Board; and succession plans in that regard;

1.2.7. Consider and make decisions about the remuneration for the Chief Executive and the other Executive Directors, taking into account remuneration decisions affecting other staff within the Trust[4].

1.3. The *General Orders for Committees* form part of these Terms of Reference.

2. Membership

2.1. The Committee is formed of a minimum of four Non-Executive Directors.

2.2. The Chief Executive is a member of the Committee for the purposes of taking part in discussions and decision making about the appointment or removal of another Executive Director.

2.3. The following are expected to regularly attend meetings of the Committee

2.3.1. The Chief Executive

2.3.2. The Director of People and Organisational Development

2.3.3. The Director of Governance

2.3.4. All Non-Executive Directors and Associate Non-Executive Directors.

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[1] Trust Constitution paragraph 27.1 and 27.2

[2] Trust Constitution paragraph 27.3

[3] Trust Constitution paragraph 22 sets out mandatory and voting Directors and that this may increase provided always that at least half of the Board, excluding the Chair, comprises Non-Executive Directors

[4] Trust Constitution paragraph 32.2

2.3.5. The Trust Secretary when requested to do so by the Director of Governance

2.4. The Chief Executive is the lead Executive Director for the Committee.

2.5. The Committee has the right to exclude some or all non-members from its meetings should it judge that to be convenient and/or in order to mitigate against any potential conflict of interest.

3. Meetings

3.1. The Committee shall meet at least once in each year, to consider

3.1.1. The outcomes from the appraisals of the Chief Executive and the Executive Directors;

3.1.2. Any changes to the remuneration or the conditions of service for the Chief Executive and the Executive Directors.

3.1.3. A review of the committee's effectiveness and its Terms of Reference.

4. Specific duties and responsibilities

4.1. Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making use of the output of the Board evaluation process as appropriate, and make recommendations to the Board and Council of Governors with regard to any changes.

4.2. Give full consideration to succession planning for Executive Directors in the course of its work, taking into account the challenges and opportunities facing the Trust, and the skills and expertise needed on the Board in the future, making recommendations to the Board and the Council of Governors as required.

4.3. Keep under review the leadership needs of the Trust, with a view of ensuring the continued ability of the Trust to undertake its obligations under the terms of its licence.

4.4. On receipt of a relevant recommendation by the Chief Executive who line manages Executive Directors, make decisions about the appointment of candidates to fill Executive Director vacancies as and when they arise.

4.5. As part of making decisions on Board level appointments, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, make appropriate recommendations for consideration by the appointments panel.

4.6. Receive assurance that there is a process in place that proposed appointees to the Board meet the fit and proper persons test, disclose any business interests that may result in a conflict of interest prior to appointment and significant commitments are disclosed with an indication of the time involved.

4.7. Take decisions on any matters relating to the continuation in office of any Executive Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Trust, subject to the provisions of the law and their service contract.

4.8. Identify members of the committee to form an appointments panel which will be responsible for making recommendations on the appointment of Executive Directors.

4.9. Determine, and regularly review, the remuneration policy for all Executive Directors and very senior managers in line with national guidance, including pension rights and any compensation payments, and having regard to the remuneration and other conditions of service of Trust staff generally. No Director shall be involved in any decisions as to their own remuneration.

4.10. Within the terms of the agreed policy and in consultation with the Chair or Chief Executive, as appropriate, make decisions about the total individual remuneration package of each Executive Director and the Chief Executive.

4.11. Obtain reliable, up-to-date benchmarking information about remuneration in other Trusts of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary.

4.12. Monitor and assess the output of the evaluation of the performance of individual Executive Directors and consider this output when reviewing changes to remuneration levels.

4.13. Advise upon and oversee contractual arrangements for Executive Directors, including but not limited to termination payments to avoid unintentionally rewarding poor performance.

4.14. Review and agree the policy for authorising relocation claims for new Director appointments[5].

4.15. Where appropriate, to authorise any redundancy payments, settlements and compromise agreements as determined within current NHS rules on severance payments, including such payments which require final approval by HM Treasury/NHS England.

4.16. To oversee compliance with national NHS guidance when appointing Board members at salaries above the upper limit as specified by them, and when appointing interim Board members and senior officials filling roles with significant responsibility.

Committee review: 21 July 2025

Board approval: 4 September 2025 TBC

Next review: July 2026

[5] SFI 7.6, relocation expenses