

Aneurin Bevan University Health Board

Remuneration and Terms of Service Committee

Terms of Reference and Operating Arrangements

Draft – July 2019
Revised – October 2019

1. INTRODUCTION

- 1.1 The Health Board's standing orders provide that *"The Board may and, where directed by Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees"*.
- 1.2 In line with standing orders (and the *Health Board's* scheme of delegation), the Board shall nominate annually a committee to be known as the **Remuneration and Terms of Service Committee**. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

2. PURPOSE

- 2.1 The purpose of the Remuneration and Terms of Service Committee "the Committee" is to provide:
- **advice** to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by Welsh Government; and
 - **assurance** to the Board in relation to 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
- and to perform certain, specific functions on behalf of the Board.
- 2.2 The Committee shall have no powers to develop or modify existing pay schemes, nor to oversee the appointment of executive directors, senior staff and managers or other staff employed by the organisation.

3. DELEGATED POWERS AND AUTHORITY

3.1 The Board has delegated the following specific powers to the Committee:

- to consider and ratify Voluntary Early Release Scheme applications and severance payments;

in line with Standing Orders and extant Welsh Government guidance.

The Chair of the Committee, as agreed by the Committee and Board will also have the authority to approve VERS applications between meetings with advice from the Director of Workforce and OD and Board Secretary, but these must be ratified at the next meeting of the Committee.

3.2 With regard to its role in providing advice and assurance to the Board, the Committee will comment specifically upon 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 Welsh Government are applied consistently;
- objectives for Executive Directors and other VSMs and their performance assessment;
- performance management system in place for those in the positions mentioned above and its application;
- proposals to make additional payments to consultants; and
- proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance.

Authority

3.2 The Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any

books, records or documents of the Health Board, relevant to the Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek relevant information from any:

- employee (and all employees are directed to cooperate with any reasonable request made by the Committee); and
- any other committee, sub committee or group set up by the Board to assist it in the delivery of its functions.

- 3.3 The Committee is authorised by the Board to 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.

Sub Committees

- 3.4 The Committee may, subject to the approval of the Health Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

4. MEMBERSHIP

Members

- 4.1 A minimum of four members, comprising:

Chair	Chair of the Board
Vice Chair	Vice Chair of the Board
Members	At least two other independent members of the Board
	The Chair of the Audit Committee (or equivalent) will be appointed as a member to this Committee.

In attendance

- 4.2 By invitation The Committee Chair may invite:
- the Chief Executive

- the Director of Workforce and Organisational Development;
- any other Health Board officials; and/or
- any others from within or outside the organisation

to attend all or part of a meeting to assist it with its discussions on any particular matter (except when issues relating to their personal remuneration and terms and conditions are being discussed).

Secretariat

- 4.3 Secretary As determined by the Board Secretary

Member Appointments

- 4.4 The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, and subject to any specific requirements or directions made by Welsh Government.
- 4.5 Appointed members shall hold office for a minimum period of one year, during which time a member may resign or be removed by the Board. Committee members may be reappointed up to a maximum term of their appointment as a Board Member. Membership is conditional on continued appointment as a Board member.

Support to Committee Members

- 4.6 The Board Secretary, on behalf of the Committee Chair, shall:
- arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
 - ensure the provision of a programme of organisational development for committee members as part of the Health Board's overall OD programme developed by the Director of Workforce and Organisational Development.

5. COMMITTEE MEETINGS

Quorum

- 5.1 At least two members must be present to ensure the quorum of the Committee, one of whom must be the Chair or Vice Chair.

Frequency of Meetings

- 5.2 The Chair of the Committee, in agreement with Committee Members, shall determine the timing and frequency of meetings, as deemed necessary. It is expected that the Committee shall meet at least once a year, consistent with the Health Board's annual plan of Board Business.

Withdrawal of individuals in attendance

- 5.3 The Committee may ask any member or individual who is normally in attendance but who is not a member to withdraw to facilitate open and frank discussion of any particular matter. The Committee will not routinely meet in public.

6. RELATIONSHIP AND ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS

- 6.1 Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these terms of reference, it retains overall responsibility and accountability for these matters.
- 6.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 6.3 The Committee, through its Chair and members, shall work closely with the Board's other committees, particularly the People and Culture Committee and groups to provide advice and assurance to the Board through the:
- joint planning and co-ordination of Board and Committee business; and
 - sharing of appropriate information

in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources

of assurance are incorporated into the Board's overall assurance framework.

- 6.4 The Committee shall embed the Health Board's corporate standards, priorities and requirements, e.g., equality and human rights through the conduct of its business.

7. REPORTING AND ASSURANCE ARRANGEMENTS

- 7.1 The Committee Chair shall:

- report formally and on a timely basis to the Board on the Committee's activities, in a manner agreed by the Board;
- bring to the Board's specific attention any significant matter under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the Health Board's Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

- 7.2 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation including that of any sub committees established.

- 7.3 The Committee shall provide a written, annual report to the board on its activities. The report will also record the results of the committee's self assessment and evaluation.

8. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

- 8.1 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, except in the following areas:

- Quorum [*as per section on Committee meetings*]

9. REVIEW

- 9.1 These terms of reference and operating arrangements shall be reviewed annually.