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Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Remuneration and Terms of Service Committee Terms of Reference

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1. Introduction

The Aneurin Bevan University Health Board's standing orders provide that *"The Board may and, where directed by the 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"*.

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 Committee is formed of Independent Members of the Health Board and has no executive powers, other than those specifically delegated to it by the Board as outlined in these Terms of Reference.

The detailed Terms of Reference and operating arrangements set by the Board in respect of this Committee are set out in this document.

2. Purpose of the Committee

The purpose of the **Remuneration and Terms of Service 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

It will support the Health Board in discharging its accountabilities and responsibilities for the achievement of the Health Board's objectives and organisational requirements in accordance with the standards of good governance determined for the NHS in Wales.

Where appropriate, the Committee will advise the Board and the Accountable Officer (Chief Executive) on where and how its system of governance and assurance may be strengthened and further developed.

3. Delegated Powers and Authority

3.1. Governance & Assurance

The Committee will provide advice and assurance on the Health Board's:

- 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 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.

3.2. Authority

The Committee is authorised to investigate or to have investigated any activity (clinical and non-clinical) 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 (ensuring patient, service user, 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.

The Committee is authorised to review senior level secondments to ensure compliance with relevant policies and frameworks.

The Committee is authorised by the Board to consider and ratify Voluntary Early Release Scheme (VERS) 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 have the authority to approve VERS applications between meetings with advice from the Director of Workforce and Organisation Development

and Director of Corporate Governance, but these must be ratified at the next meeting of the Committee.

The Committee is authorised by the Board to consider and ratify a variance in rates of pay outside of national agreements in order to maintain safe services and respond to service pressures.

The Chair of the Committee, as agreed by the Committee and Board will have the authority to approve the variance to rates of pay between meetings with advice from the Director of Workforce and Organisational Development and Director of Corporate Governance, but these must be ratified at the next meeting of the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outside representatives with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

The Committee may act on any particular matter or issue upon which the Board or the Accountable Officer may seek advice.

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.

3.3. Sub-Committees

The Committee may, subject to the approval of the Health Board, establish sub-committees or task and finish groups to perform specific aspects of Committee business.

4. Membership

4.1. Members

The Committee shall comprise of four (4) members:

Chair: Chair of the Board

Vice Chair: Vice Chair of the Board

Other Members: the Chair of the Audit, Risk & Assurance Committee
One other Independent member

4.2. Attendees

Attendees are by invitation only and the Committee Chair may invite others to attend all or part of a meeting to assist it with its discussions on any particular matter except when their personal remuneration and terms and conditions are to be discussed. These are:

- Chief Executive
- Director of Workforce and Organisational Development

- Any other Health Board officials and / or any others from within or outside the organisation

4.3. Member Appointments

The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking account of 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.

Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office.

During their period of appointment a member may resign or be removed by the Board.

5. Support

5.1. Secretariat

Secretariat arrangements will be determined and arranged by the Director of Corporate Governance.

5.2. Advice and Member Support

The Director of Corporate Governance, 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.

6. Committee Meetings

6.1. Quorum

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

6.2. Frequency of Meetings

Meetings will be held **Quarterly** and otherwise as the Chair of the Committee deems necessary – consistent with the Health Boards plan of Board business.

6.3. Record of the Committee Meeting

A record of the meeting will be presented as notes and action points.

6.4. Public Meetings

The Committee will not routinely meet in public.

6.5. In Committee & withdrawal of individuals in attendance

The Chair may ask any or all of those who normally attend but who are not members of the Committee to withdraw to receive information which may include matters of a sensitive and/or confidential nature.

7. Relationship and Accountabilities with the Board and its Committees

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.

The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference.

The Committee, through its Chair and members, shall work closely with the Board's other committees, including joint (sub) committees 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 information

In doing so, it will contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance arrangements.

The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of the Health Board's overall system of assurance.

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.

8. Reporting and Assurance Arrangements

The Committee Chair shall:

- Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity and

the submission of committee minutes and written reports throughout the year;

- Bring to the Board and the Accountable Officer's specific attention any significant matters under consideration by the Committee;
- Ensure appropriate escalation arrangements are in place to alert the Health Board Chair, Chief Executive (as 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.

The Committee shall provide a written annual report to the Board on its activities in support of the Health boards governance and assurance arrangements. The report will also record the results of the committee's self-assessment and evaluation.

The Board may require the Committee Chair to report upon the Committee's activities at public meetings or to community partners and other stakeholders, where this is considered appropriate, e.g. where the Committee's assurance role relates to a joint or shared responsibility.

The Director of Corporate Governance, on behalf of the Board, shall oversee a process of annual self-assessment and evaluation of the Committee's performance and operation including that of any sub committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

9. Applicability of Standing Orders to Committee Business

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

10. Review

These Terms of Reference shall be reviewed annually by the Committee with reference to the Board.