



<b>MEETING TITLE</b> Trust Board – Meeting in Public		<b>MEETING DATE</b> 26/03/2013	
<b>TITLE of PAPER</b>	For Approval: Remuneration and Terms of Service Committee: Terms of Reference	<b>PAPER REF</b>	6.3
<b>STRATEGIC OBJECTIVE</b>	All		
<b>PURPOSE OF THE PAPER</b>	The terms of reference for the Remuneration and Terms of Service Committee are submitted for approval.		
<b>For Approval</b>	<input checked="" type="checkbox"/>	<b>For Assurance</b>	<input type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input type="checkbox"/>
<b>AUTHOR / LEAD</b>	Stephen Moir, Deputy Chief Executive/Executive Director of Workforce & Strategy	<b>ACCOUNTABLE DIRECTOR</b>	Chairman
<b>PREVIOUSLY CONSIDERED BY</b>	<b>Committee/Group:</b>	<b>Date:</b>	
<b>RECOMMENDATION</b>	It is recommended the Trust Board approves the Terms of Reference for the Remuneration and Terms of Service Committee for 2013/14.		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Legal implications/Regulatory requirements</b>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Quality and Diversity Implications</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission Registration Outcome(s)</b>		13: Staffing 14: Supporting workers	
<b>NHSLA Risk Management Standards for Ambulance Trusts</b>		3: Competent & Capable Workforce 1: Governance Not Applicable	

## **1. PURPOSE**

- 1.1 The terms of reference for the Remuneration and Terms of Service Committee are submitted for approval.

## **2. BACKGROUND/CONTEXT**

- 2.1 The Trust Board requires its Committees to periodically review their Terms of Reference, as a minimum in line with the timescales described therein. The Remuneration and Terms of Service Committee terms of reference were last reviewed and approved by the Trust Board in January 2012. No substantive changes have been made to the Terms of Reference for the Committee since last year, however in the spirit of good corporate governance, the terms of reference are submitted in line with legislation, where appropriate, guidance and best practice and are recommended to the Trust Board for approval.

## **3. PROPOSALS/NEXT STEPS**

- 3.1 The Terms of Reference for the Committee will be applied during the 2013/14 Committee cycle of business and will provide governance for the delivery of the Committee work programme in accordance with the Trust's Constitution and governance handbook.

## **4. RISK ASSESSMENT**

- 4.1 Without appropriate and authorised Committee Terms of Reference the efficient and effective management of Trust Board business may be compromised.

## **5. RECOMMENDATIONS**

- 5.1 It is recommended the Trust Board approves the Terms of Reference for the Remuneration and Terms of Service Committee for 2013/14.

## **6. APPENDICES/BACKGROUND INFORMATION**

- 6.1 Final Draft Terms of Reference - Remuneration and Terms of Service Committee

## APPENDIX 1

### TERMS OF REFERENCE OF YORKSHIRE AMBULANCE SERVICE NHS TRUST REMUNERATION AND TERMS OF SERVICE COMMITTEE (R&TSC)

#### 1.0 General

- 1.1 The Remuneration and Terms of Service Committee is established in accordance with the Codes of Conduct and Accountability [EL (94) 40 and with section 4.8.2 of the *Model Standing Orders, Reservation And Delegation Of Powers And Standing Financial Instructions*, 23 March 2006 (Gateway reference 6184) and the recommendations of the Higgs Report.
- 1.2 The R&TSC is a formally constituted Committee of the Board of Yorkshire Ambulance Service NHS Trust (YAS). It operates within the Nolan Committee *Seven Principles of Public Life* and will observe the highest standards of propriety and accountability in relation to its stewardship of public funds and the management of the organisation.
- 1.3 The Board is accountable for taking all decisions on Remuneration and Terms of Service, based on the advice and recommendations of the Committee. The R&TSC does not have delegated powers of decision but it does have delegated authority to obtain external legal or other expertise and advice if it considers this to be necessary.
- 1.4 YAS is committed to achieving best practice in its dealings with employees of the authority, thereby ensuring that equity prevails in how it considers and agrees remuneration and terms of service. The conduct of the business of the R&TSC and the advice and recommendations provided to the Board will meet the highest standards of Corporate Governance and Equality and Diversity.
- 1.5 The R&TSC will provide advice on the basis that the Board wishes to be assured that the remuneration of the post holders is equitable within the context of the Trust's operational circumstances and performance and the National Health Service as a whole so that neither the post holders nor the Trust, are disadvantaged by the Board's decisions on remuneration and terms of service.
- 1.6 In providing its advice and recommendations the R&TSC will always take into account any current national or local NHS guidance, for example, *The Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts*. In addition it will always seek to maximise value for money.

## **2.0 Purpose**

2.1 The R&TSC will provide recommendations to the Board on the level of remuneration, terms of service, contractual arrangements, annual objectives and performance against those objectives of the holders of the following very senior management posts:

- The Chief Executive
- The voting Executive Directors on the Trust Board
- The non-voting Executive Directors on the Trust Board

2.2 It may also advise the Board on the remuneration of other senior managers.

2.3 Should it be required, it will also advise on all matters relating to the termination of employment, for whatever reason, of the holders of the post in 2.1.

2.4 In accordance with any national or local regulations or guidance it will also advise on all matters relating to the severance from employment, for whatever reason, for other grades of staff.

2.5 It will work with the Chief Executive to ensure that adequate arrangements have been made for succession planning.

2.6 It will advise the Board of any significant risks to organisational capability and capacity that arise out of its deliberations.

2.7 The remuneration and terms of service for posts not specified within this policy will remain the operational responsibility of the Chief Executive and the Board's Executive Directors.

- [The remuneration and terms of appointment of the Chairman and Non-Executive Directors are not within the remit of this Committee but are determined by the Secretary of State for Health]

## **3.0 Scope**

3.1 The scope of the advice and recommendations made to the Board will cover:-

- Process of appointment / termination of appointment
- Performance
- Remuneration, including performance related payments
- The Employment Contract

- Relocation
- Benefits in kind
- Pension
- Provision of vehicles and other financial benefits
- Any other issues relevant to the terms and conditions of service of the post holders as the Board may determine.
- Talent management and succession planning for senior management.

3.2 In advising on recommendations for remuneration packages for new, or significantly changed, posts the Committee will always consider, inter alia:

- A job description which clearly sets out the accountabilities and responsibilities of the post which is being created.
- National guidance on the remuneration and terms of service for the post and / or a formal job evaluation.
- Any comparative salary information that is available.
- Draft objectives for the post holder and the timing of the appointment.

3.3 In making recommendations for remuneration packages for post holders the Committee will consider, inter alia:

- A review of the job description which clearly sets out the accountabilities and responsibilities of the post, including changes in the responsibilities that have, or are to be, made since the post holder came into post or since the last review of remuneration.
- Performance against agreed objectives.
- Current national guidance on the remuneration and terms of service for the post and any review of the job evaluation that may have taken place since the last review.
- Any comparative salary / terms of service information that is available.

#### **4.0 Composition of the Committee**

4.1 The committee will be comprised exclusively of Non-Executive Directors, who are independent of management. The members of the R&TSC will be the Chairman, Deputy Chairman and all of the Non-Executive Directors of the Trust.

- 4.2 The Chairman of RTSC will be the Chairman of the Trust Board. In the absence of the Chairman, the Deputy Chairman of the Trust Board will chair the RTSC. Only in the absence of both the Chairman and Deputy Chairman will the Non-Executive Directors in attendance select one of their number to fulfil the role of RTSC Chairman for that meeting only, as long as the requirements for a quorate meeting, as set out in 6.1 are fulfilled.
- 4.3 Others that may be present at all meetings in an advisory capacity are:
- The Chief Executive or Deputy Chief Executive.
  - The Director of Workforce & Strategy, or a nominated deputy previously agreed by the Chair of the R&TSC.
- 4.4 With the agreement of the members the Chair may invite others to attend for all or part of the meeting where their professional advice or guidance is required.

## **5.0 Conduct**

- 5.1 Because of the confidential nature of its business the Committee will meet in private.
- 5.2 It will meet not less than twice a year. One meeting will be held at, or within one month of the Annual General meeting of the Trust. One meeting will be held before the start of each operating year (or if this is not possible as soon as practicable thereafter) to agree Very Senior Managers objectives, which will follow the Business objectives of the organisation. The Committee will meet periodically to make assessment of Very Senior Managers achievements against their objectives.
- 5.2 No Director or employee, including the Chief Executive, will be present during discussion of items relating to themselves, without the recorded approval of the R&TSC
- 5.3 The Minutes of meetings will be taken by the Director of Workforce & Strategy, or a nominated person previously agreed by the Chair of the R&TSC:
- They will be regarded as being highly confidential documents.
  - The members present at a meeting will ratify the Minutes within 10 working days of the meeting. (this may be achieved by e-mail or telephone conferencing).
  - Members not present at a given meeting will receive a copy of the Minutes no later than 5 working days following their ratification.

- Copies of the Minutes held by members (in whatever form) will be destroyed no later than 25 working days after the date of the meeting.
  - The Director of Workforce & Strategy will be responsible for one hard copy and an electronic copy of the Minutes being archived in a secure manner by the Director of Workforce & Strategy.
  - On request Members will have access to the archived Minutes.
  - Subject to the terms of current Data Protection and Freedom of Information legislation access will not be given to others unless the Chair of the R&TSC has provided written permission for them to do so.
- 5.5 The Committee will review its performance annually and provide a statement in Trust's Annual Report on its Terms of Reference, its membership, the dates of its meetings and members' attendance at meetings during the year.

## **6.0 Quoracy & Voting**

- 6.1 The Committee will be quorate when any three of the voting members of the Committee are present.
- 6.2 Should a vote be taken on any item the Chair of the R&TSC will have a second vote if the number of votes cast for and against the proposition is equal.

## **7.0 Relationship with and Reporting to the Board**

- 7.1 The date, time and those present at any meeting of the Committee will be formally reported to the next public meeting of Trust Board.
- 7.2 The Committee will report to the Board, in writing, the bases for making any recommendations. Should any recommendation of a confidential nature require discussion at a meeting of the Trust Board that is held in public this will only take place when the public have been excluded from the proceedings by reason of the confidential nature of the business.\*\*
- 7.3 If any recommendation made to the Board concerns one, or more, of the Executive Directors then only the Non-Executive Directors may take part in any decision.

\*\* The Public Bodies (Admission to Meetings) Act, 1960, Section 1, subsections 2 and 3:

(2) A body may, by resolution, exclude the public from a meeting (whether during the whole or part of the proceedings) whenever publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons stated in the resolution and arising from the nature of that business or of the proceedings; and where such a resolution is passed, this Act shall not require the meeting to be open to the public during proceedings to which the resolution applies.

(3) A body may under subsection (2) above treat the need to receive or consider body as a special reason why publicity would be prejudicial to the public interest, without regard to the subject or purport of the recommendations or advice; but the making by this subsection of express provision for that case shall not be taken to restrict the generality of subsection (2) above in relation to other cases (including in particular cases where the report of a committee or sub-committee of the body is of a confidential nature)