

Remuneration Committee
DRAFT Terms of Reference

1. Purpose
<p>The purpose of the Committee is to be responsible for overseeing the process to identify and appoint candidates to Director positions and for determining their remuneration, terms and conditions of employment and for approving severance packages for Directors and other employees, where so required by external guidance.</p> <p>Director positions incorporate the level 1, level 2 and level 3 posts identified in the VSM Pay Framework published May 2025.</p>
2. Objective
<p>The Committee will provide non-executive oversight and assurance against the Trust's Executive Director function and remuneration packages.</p>
3. Authority
<p>The Committee is constituted as a standing committee of the Board of Directors.</p> <p>The Committee is authorised by the Trust Board to investigate any activity within its Terms of Reference, with adherence to the Trust's scheme of delegation and standing financial instructions (SFIs). The Committee can request information, reports, and assurances from any employee in relation to those areas within these Terms of Reference and all employees are directed to cooperate with any request made by the Committee.</p> <p>In consultation with the Director of Corporate Affairs, the Committee can access independent professional advice and secure the attendance of persons outside the Trust with relevant experience and expertise if it considers this necessary.</p> <p>The Remuneration Committee is a standing committee in that its responsibilities and purpose are not time limited and will continue to meet in accordance with these Terms of Reference.</p>
4. Membership and Quoracy
<p>The Membership and attendance shall be disclosed in the Annual report and shall be all Non-Executive Directors of the Board.</p> <p>The quorum for meetings shall be two Non-Executive Directors, one of whom should be the Committee Chair, unless they are unable to attend due to exceptional circumstances.</p>
5. Attendance and Secretariat
<p>Members should make every effort to attend all meetings of the Committee and will be required to provide an explanation to the Chair of the Committee if they fail to attend more than one meeting in a financial year. The Committee Secretary will monitor attendance by members and report this to the Chair of the Committee on a regular basis.</p> <p>The Director of HR may be invited to attend for specific agenda items to provide professional advice and guidance with the agreement of the Chair of the Committee.</p> <p>The Director of Corporate Affairs will provide appropriate administrative support to the Chair and Committee members. This will include agreement of the agenda with the Chair, collation</p>

and circulation of papers, producing the minutes of the meetings, keeping a record of agreed actions and follow up, and advising the Chair and members of the Committee as appropriate.

6. Frequency of meetings

The Committee shall meet with such frequency and at such times as it may determine, and the Chair may convene additional meetings of the Committee if necessary to consider business that requires urgent attention.

It is expected that, under normal circumstances, the Committee shall meet a minimum of twice yearly.

7. Duties of the Committee

The primary duties of the Committee will be (but not limited to):

- Determine all terms and conditions of employment of all Directors, including any requests to vary such terms and conditions and all benefits associated with each post including pension rights, performance related pay/incentives (if any). This includes substantive fixed-term and interim appointments, regardless of whether the individual is paid via the Trust's payroll or not.
- In the case where a new or uplifted salary is at or above the £170,000pa, external approval may also be required in accordance with any guidance in place at the time.
- Consider appropriate benchmarking data, for example the annual survey carried out by NHS Providers when considering the overall market positioning of Executive Director remuneration packages.
- Assess the performance objectives of the Chief Executive, Executive Directors and Directors who operate below the Executive Team and ensure that performance is assessed against these objectives annually.
- Where the Chair has concerns regarding the performance of Directors, they would seek counsel of the Remuneration Committee.
- Oversee the process to identify and appoint candidates to all Level 1, Level 2 & Level 3 Director positions (recommended by the Chair/Chief Executive or Executive Director as appropriate) and for determining their remuneration, performance and other conditions of service. This includes substantive, fixed term and interim appointments, regardless of whether the individual is paid via the Trust's payroll or not.
- To approve severance packages as follows:
 - All severance packages, regardless of value for all Level 1, Level 2 and Level 3 Directors.
 - All non-contractual severance packages, regardless of value, for all staff
- Take into consideration, and apply as required, any relevant guidance or direction supplied by the Department of Health, or any other relevant body, in the review of any remuneration or terms and conditions of employment of any staff.
- Consider the time commitments arising from any external interests of the Directors and whether any payments made by other organisations for the exercise of such duties should be retained by the Director or paid to LTHT in recognition of their time away from LTHT duties.
- Consider and approve any request for secondment from a Director.

8. Reporting and Assurance

Formal minutes shall be taken of all Committee meetings. The Committee will report to the public Board meeting after each meeting. The Committee shall receive and agree a

description of the work of the Committee, its policies and all Director emoluments in order that these are accurately reported in the required format in the Trust's annual report and accounts.

9. Links to other Board Committees

The Department of Health Group Accounting Manual requires a disclosure to be made within the Annual Report to disclose details of all exit packages, analysed between compulsory redundancies and other, non-compulsory departures. The values of these exit packages are analysed by cost band and will be reviewed by the Audit Committee.

10. Monitoring and Review

These Terms of Reference will be reviewed by the Committee and approved by the Board of Directors annually or in light of changes to national legislation.

Version Control	Date of Board Approval	Comments
V1 Draft		New template and amendments to wording