

Trust Board Meeting: Wednesday 14 January 2015
TB2015.21

Title	Remuneration and Appointments Committee Report
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Status	For information
History	This is a regular report to the Trust Board

Board Lead(s)	Professor Sir John Bell, Non-Executive Director, and Remuneration and Appointments Committee Chairman			
Key purpose	Strategy	Assurance	Policy	Performance

1. Purpose

1.1 This paper is intended to provide the Trust Board with a summary of the key business undertaken by the Remuneration and Appointments (R&A) Committee since its previous report.

2. Background

2.1 Established as a sub-committee of the Trust Board, the main role of the R&A Committee is to determine and implement policy on Executive Director appointments and terms of employment, including performance assessment, remuneration and termination of contracts. The Committee is also responsible for providing oversight and, where required, approval of severance payments for Trust staff.

2.2 Membership of the Committee comprises the Trust Chairman and Non-Executive Directors. The Chief Executive and Director of Organisational Development and Workforce are attendees.

3. Recent Committee Meetings

3.1 Since the previous report submitted to the Trust Board, the R&A Committee has met on three occasions, namely 12 March, 19 June and 22 October.

4. Key Business

4.1 The key business addressed by the Committee was as follows:

Protocol for the Approval of Severance Payments

4.1.1 A protocol was approved which provides clear guidance for the Committee and for Divisional management teams on the procedure to be adopted when considering making any payments to Trust employees relating to compulsory or voluntary redundancy, mutually agreed resignation, settlement agreements, or other such severance. The protocol is consistent with current authorisation requirements dictated by the Trust Development Authority (TDA) and HM Treasury. The document also confirms the R&A Committee's responsibility in making certain there is appropriate governance of all severance payments.

Assessment of Executive Director Performance

4.1.2 The Committee assessed the collective and individual performance of Executive Directors, with reference to the 2013/14 Corporate Scorecard success criteria and annual appraisal outcomes. This assessment informed the application of the established performance related pay scheme.

Review of Executive Director Remuneration

4.1.3 An annual review was undertaken of the remuneration associated with all Executive Director posts. The review was informed by national benchmarking information and ensured that remuneration levels remained at an appropriate level.

Approval of 2014/15 Corporate Scorecard

4.1.4 The Corporate Scorecard was updated to reflect key strategic priorities for 2014/15 and establish associated success criteria against which Executive Director performance will be assessed.

Medical Director Appointment

4.1.5 Following the departure of the previous Medical Director in March 2014, the Committee approved the Interim Medical Director arrangements and the implementation of a recruitment strategy, which culminated in a substantive appointment being made in October.

Succession Planning

4.1.6 The Committee commissioned the services of an international search and selection consultancy to assist in the Chief Executive appointment process. A comprehensive search plan was agreed and implemented, which aims to achieve a successful appointment in March 2015.

5. Future Business

5.1 Meetings of the R&A Committee in 2015 will focus on the following key areas of business:

- Chief Executive appointment;
- Trust Board succession planning;
- assessment of performance against the 2014/15 Corporate Scorecard;
- consideration of Executive Director portfolios, post Foundation Trust authorisation;
- development and implementation of the 2015/16 Corporate Scorecard.

6. Recommendation

6.1 The Trust Board is asked to note the contents of this report.

Professor Sir John Bell
Remuneration and Appointments Committee Chairman

January 2015