

## Board People Committee

### Terms of Reference

#### 1. Purpose

The People Committee (the Committee) is established by the Board of NHSBT as a non-executive committee of the Board with powers and responsibilities delegated to it within the NHSBT Standing Orders and these Terms of Reference.

The purpose of the Committee is to support the Board in its responsibility to discharge its regulatory duties in respect of employee relations matters, to provide assurance on the board composition and organisational climate, and to approve recommendations for external recognition.

The Committee fulfils the role of the Remuneration and Terms of Service Committee described in EL(94)40 of the Code of Conduct and Accountability 2004.

The purpose of the Committee shall be delivered through the performance of the duties set out in section 5.

#### 2. Composition

##### 2.1. Membership

The Committee shall be appointed by the Board from amongst the Non-Executive Directors, one of whom shall be the Chair of the Committee.

The Committee shall consist of not less than three members.

At least one member of the Committee should have experience of HR strategy and services.

The Board may appoint Associate Non-Executive Directors or independent members of the Committee to fill any identified skills and experience or diversity gaps, however they shall not hold voting rights.

##### 2.2. Committee Chair

The Committee will be chaired by one of its members. In the absence of the nominated Chair, another member of the Committee will chair the meeting.

##### 2.3. Lead Executive

The lead Executive Director providing support to the Committee is the Chief People Officer.

##### 2.4. Attendees

Only members of the Committee have a right to attend and vote at Committee meetings, however, subject to the approval of the Committee Chair, the meetings shall be open to attendance by any Board member.

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The ~~Deputy Chief Executive~~, Chief People Officer and ~~Director Plasma for Medicines~~Chief Nursing Officer will normally attend meetings and other NHSBT Directors or representatives of relevant directorates may be invited by the Chair of the Committee, to present to, or attend to contribute for specific items. Attendance by any non-members will be at the discretion of the Committee Chair.

The Chief Executive shall attend in relation to ESM Pay and bonus proposals, Executive Succession Planning and Talent Management, and such other subject matter as appropriate.

Parties external to NHSBT may also be invited by the Committee Chair to attend all, or part of a meeting, eg professional advisors/service providers, partners, regulators, etc. The Committee is authorised by the Board to secure the attendance of others with relevant experience and expertise if it considers this necessary.

The Committee Chair may ask any person in attendance who is not a member of the Committee to withdraw from a meeting to facilitate open and frank discussion of a particular matter.

### 2.5. Secretary

The Corporate Governance Team managed by the Company Secretary will provide administrative secretariat support. Duties of the secretariat will include:

- Agreement of agenda with Chair and Lead Executive, including feedback from other attendees
- Collation and distribution of papers for meetings
- Drafting of minutes for agreement by Chair, Lead Executive and attendees
- Advising the Committee on pertinent areas and briefing the Chair as appropriate via the Chief People Officer.

## 3. Meeting Arrangements

### 3.1. Format

Meetings may be held in person, by telephone, video conferencing or in hybrid format.

### 3.2. Frequency

The Committee shall normally meet as frequently as it may determine to be necessary to complete its key tasks, with a minimum of four meetings a year and further meetings called at the discretion of the Chair of the Committee.

Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals and third parties, including the Board Chair, the Chief Executive, Executive Leads for relevant directorates and the Company Secretary.

### 3.3. Quorum and Decision Making

The quorum for meetings shall be two members.

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A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. A meeting that is inquorate may proceed, however no decisions may be made, and the minutes should reflect this.

Decisions shall be determined by a majority of the votes of the members present and voting on the question. In the case of the number of votes for and against being equal, the Chair of the meeting shall have a second or casting vote.

If all members agree, urgent matters arising between formal meetings can be dealt with by e-mail, telephone or videoconference, with the outcomes of such exchanges formally recorded in the minutes of the next full meeting.

### 3.4. Notice of Meetings

Meetings of the committee shall be called by the secretary of the committee at the request of the Committee Chair or any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda and supporting papers shall in normal circumstances be circulated to each member of the Committee and any other person required to attend, no later than seven days before the date of the meeting.

### 3.5. Minutes

The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of members present and those in attendance.

Draft minutes will in normal circumstances be sent to the Executive Lead for the Committee within five working days of the meeting. The Executive Lead will review the draft within 5 working days, and a final draft will be sent to the Committee Chair within ten working days of the meeting. The draft minutes will be submitted for formal agreement at the next meeting.

The Committee will ensure the minutes are made available to the next private Board meeting.

## 4. Declarations of Interest

All members and attendees of the Committee must declare any relevant actual, or potential, conflicts of interest at the commencement of any meeting. This includes financial interests, non-financial professional interests, non-financial personal interests and indirect interests. (See Conflicts of Interest Policy for guidance. The Company Secretary can provide advice and guidance on reporting declarations of interests.)

Members and attendees will be invited to declare any interests they might have in any issue arising at the meeting which might conflict with the business of the Committee.

Neither the Chief Executive nor any NHSBT Director or manager shall be present during discussions in relation to their own remuneration, performance and terms of service.

The Chair of the Committee will determine if there is a conflict of interest such that the member and/or attendee will be required not to participate in a discussion. No member shall participate in decision making in relation to any matter for which they have an interest.

## 5. Delegated Authority, Duties and Responsibilities

### 5.1. Delegated Authority

The Committee has delegated Authority from the NHSBT Board to consider the matters listed below:

- 5.1.1 Terms and Conditions (including Pay and Severance)
- 5.1.2 Senior Level Capability
- 5.1.3 To act as a nominations committee for appointments to Executive Director posts
- 5.1.4 Fit and Proper Persons Regulations Assurance
- 5.1.5 Equality and Diversity Inclusion Compliance
- 5.1.6 Mandatory Training Sub-committee.

### 5.2. Duties and Responsibilities

The Committee shall perform the following duties in order to achieve its purpose:

#### 5.2.1 **Terms and Conditions (including Pay and Severance)**

- i. It will determine the remuneration and conditions of service of those very senior managers currently paid under the terms of the Executive Senior Manager (ESM) Framework 2016 and any other management posts with a base salary in excess of £100,000 per annum.

In doing so, the Committee will have due regard to the terms of the ESM Framework and any associated DHSC and NHS guidance. The Committee will ensure that decisions made on remuneration properly support the objectives of the Authority, represent value for money, display financial responsibility and comply with statutory and NHS requirements.

- ii. Through the Chair of NHSBT and the Chief Executive, to monitor and evaluate the performance of the Chief Executive and individual NHSBT Directors and to use the authority delegated by the Board to set performance bonuses, if appropriate and within guidelines and/or requirements set by DHSC.
- iii. Through the Chair of NHSBT and the Chief Executive, to oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and NHSBT Directors.
- iv. To consider and approve any individual redundancies with projected costs in excess of £100,000.

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- v. To consider and approve any redundancies of 10 or more cases as part of one redundancy/restructure programme, regardless of projected cost where further external approval is required, as well as all voluntary redundancy schemes.
- vi. To provide prior consideration and approval to any special/special severance payment, including confidentiality clauses, where further external approval is required.
- vii. To consider and approve PILON cases of £50,000 or more, or any CILON case irrespective of cost, where further external approval is required.
- viii. To consider and approve redundancy proposals within organisational change exercises, where the total estimated redundancy cost exceeds £500k.

### 5.2.2 Senior Level Capability

Annually, the Committee shall receive assurance on:

- i. Strategic issues affecting NHSBT and any implications for requirements of skills and expertise of the Board and executive leadership of the organisation
- ii. The structure, size, diversity and composition of the existing Board and, given the assessment of strategic issues, make recommendations to the Board for future succession planning or near-term changes where needed
- iii. NHSBT's talent management and succession planning strategies for the executive leadership of NHSBT (CEO and 2 layers below), assuring itself of the continued ability of the organisation to operate effectively in its strategic context.

### 5.2.3 To act as a nominations committee for appointments to Executive Director posts as follows:

Responsibility for ensuring that a proper process is in place for the appointment of Executive Director posts by approving the process to be adopted for recruitment and appointment, and reviewing a report of the process followed prior to endorsing the proposed candidate for appointment to an Executive Director post.

### 5.2.4 Organisational climate

- i. It will maintain an overview of the culture and climate of NHSBT to ensure NHSBT delivers on its ambition to be a high performing and inclusive organisation. This assurance will be sought through the regular review of trends relating to whistleblowing, Freedom to Speak Up, Disciplinary & Grievance case loads and absence data to identify specific issues or deterioration in climate.
- ii. The People Committee will also review 'Our Voice' survey results and follow-up on subsequent action plans. Employee representatives, network representatives may be invited to participate in Committee discussions on the above topics to bring them to life for the Committee.

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- iii. The People Committee will report back to the Board with any major concerns which require its attention

### 5.2.5 **Approval of recommendations for external recognition for NHSBT employees** The Committee shall:

~~i. Receive assurance that an effective process is in place for the consideration and approval of recommendations for local Clinical Excellence Awards for NHSBT medical staff.~~

~~ii.i.~~ Receive assurance that an effective process is in place for the consideration and approval of recommendations from the NHSBT Honours Committee.

### 5.2.6 **People Strategy**

The Committee shall have oversight of the People Strategy, related programs and success measures for the programs.

### 5.2.7 **Fit and Proper Persons Regulations**

The Committee shall:

i. Monitor compliance of the Fit and Proper Persons Regulations (FPPR) for Non-Executive Directors and Executive Directors.

ii. Receive an annual report from the Company Secretary on FPPR annual checks compliance.

### 5.2.8 **Equality, Diversity and Inclusion Compliance**

i. The Committee shall review annually the Equality, Diversity and Inclusion (EDI) objectives set to fulfil the organisation's public sector legal obligations

ii. The Committee shall confirm to the Audit, Risk and Governance Committee, NHSBT's EDI compliance in respect of legal and regulatory obligations.

### 5.2.9 **Health, Safety and Welfare**

The Committee shall review and seek assurance in relation to NHSBT's compliance with health, safety and welfare legal and regulatory obligations. A report of such shall be considered by the Committee on at least an annual basis.

### 5.2.10 **Mandatory Training Sub-committee**

The Committee shall receive quarterly reports on mandatory training compliance via the Workforce Dashboard in addition to and an annual report from the Mandatory Training Sub-committee on its activities for assurance purposes. ~~The annual report of the Mandatory Training Group will be presented to the Audit, Risk and Governance Committee for information as an assurance for risk control.~~

### 5.2.11 **Pay Committee**

The Committee shall receive reports from the Pay Committee.

## 5.2.12 Any Other Relevant Matters

The Committee will consider any other relevant matters where requested to do so by the Board.

## 6 Risk and Assurance

The Committee will monitor the organisation's progress in managing principal and contributory risks relevant to its remit. At least annually they will undertake a deep dive into such risks and assess progress in relation to the mitigation of the risks.

As at the date of approval of these Terms of Reference, the risks monitored by the People Committee include:

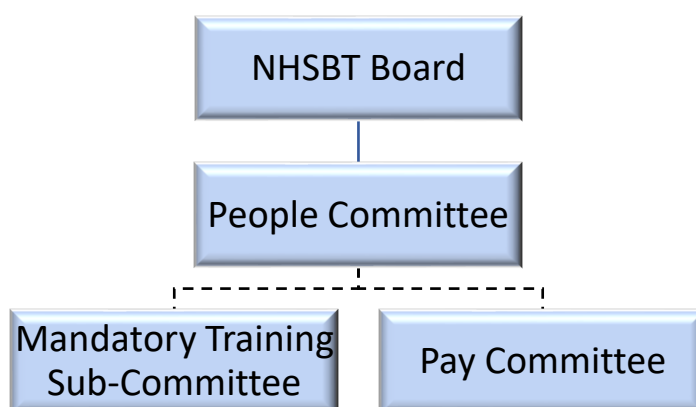
- P-07 Capacity, capability and/or flexibility in our workforce
- P-08 Leaders and managers lack skills and capabilities.

The Committee will also approve, or recommend to the Board for approval, Board Level Policies and will receive assurance reports in relation to compliance with regulatory and statutory duties related to matters delegated to it.

The Committee will receive internal audit reports in relation to areas under its remit, and will monitor progress in completing management actions related thereto.

## 7 Reporting Responsibilities

### 7.1 Reporting Structure



The People Committee is a Committee of the NHSBT Board, and therefore obtains its authority from the NHSBT Board and reports on its activities to the NHSBT Board and will escalate any major concerns in a timely manner.

The People Committee has the following Executive Sub-Committees reporting to it:

- Mandatory Training Sub-Committee
- Pay Committee

Formal Terms of Reference set out the delegations to these Executive Sub-Committee and the reporting requirements for them.

## 7.2 Post Meeting Reporting

The Chair of the People Committee will formally report to the Board, in private session, on its proceeding after each meeting. The Chair of the Committee will draw to the attention of the Board any issues that require disclosure to the full Board or require Executive action. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Chair of the Committee will also provide a report on its activities, after each meeting, for the Board to publish within its papers for its next public meeting.

## 7.3 Annual Reporting

In line with the annual reporting year, the Committee Chair will provide an Annual Report to the Board on how it has discharged its responsibilities, including:

- The Committee membership, the frequency of meetings and levels of attendance of members,
- Business conducted by the Committee during the year of the report,
- Risks monitored by the Committee,
- Internal Audit activity in the year related to remit of the Committee,
- Gaps in assurance identified, if any,
- Confirmation of review of Terms of Reference and any recommendations,
- Confirmation of review of effectiveness and summary of findings/actions agreed,
- A statement of whether the Committee is satisfied that it has discharged its responsibilities.

The Committee shall also compile a short report on its activities to be included in NHSBT's Annual Report to describe the work of the Committee.

## 8 Authority

The Committee has the authority to request and review reports and assurances from management in order to undertake its duties and achieve its overall purpose.

The Committee is authorised by the Board to:

- obtain, at NHSBT's expense, reasonable external legal or other independent professional advice on any matter within its terms of reference (subject to budgets agreed by the Board), and liaising through the Company Secretary, in relation to whether such advice can be provided internally, or the best procurement of such advice.
- seek any information it requires, and/or to secure the attendance of others with the relevant experience and expertise if it considers this necessary in order to perform its duties.



## 9 Terms of Reference and Effectiveness Reviews

### 9.1 Terms of Reference

The Committee will review its Terms of Reference on an annual basis and make such recommendations to the Board as are required to take into account changes to laws or regulations together with organisational changes be they strategic, structural, technological or operational.

### 9.2 Committee Effectiveness

The Committee will, on an annual basis, review its work programme, performance and evaluate any support or development needs, and review its effectiveness, to include a gap analysis of its work during the year compared to the duties set out within the Terms of Reference, and consideration of the following:

- Membership, independence and objectivity
- Skills and experience
- Roles and responsibilities
- Communication and reporting
- Continual improvement.

and recommend any changes to the Board. The results of the effectiveness review and delegations review will be reported to the Board.

## 10 Other Matters

### 10.1 External and Internal Audit Access to Committee

Appropriate external and internal auditors, as agreed by the Board, shall have the right of direct access to the Committee for the purposes of auditing its work and effectiveness.

### 10.2 Resources

The Committee will have access to sufficient resources to carry out its duties, including access to the Company Secretary and the Corporate Governance Team, for assistance as required.

### 10.3 Training and Development

Members of the Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. Training needs shall be identified through the annual skills and capability assessment, the Director appraisal process and through discussion with the Committee Chair.

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### Version Control and RACI view

| Version         | Approved by and basis of changes  | Approved Date | Effective Date | Date of Next Review  |
|-----------------|---|---------------|----------------|----------------------|
| 6.1             | <u>People Committee</u><br><br><u>Amendment to Executive attendees and responsibilities re LCEAs, Mandatory Training and Pay Committees.</u>  |               |                | <u>Within a year</u> |
| 6.0             | Committee and Board<br><br>Reformatting to provide a consistent format for all Board Committees. Addition of clauses to meet best practice. Clarity on attendees and voting rights. | 30/07/2024    | 30/07/2024     | Within a year        |
| (R) Responsible | Chief People Officer / Company Secretary  |               |                |                      |
| (A) Accountable | Chair of People Committee / Chief People Officer  |               |                |                      |
| (C) Consultees  | People Directorate  |               |                |                      |
| (I) Informed    | Directors / People Directorate - Terms of Reference available on website  |               |                |                      |