

Remuneration Committee

Terms of Reference

Date Approved by Remuneration Committee: 28 February 2017

Date Approved by Governing Body:

In accordance with requirements of the NHS Codes of Conduct and Accountability, Standing Orders (S4) and Standing Financial Instructions (S20.1), the CCG Governing Body shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

1. Purpose

- 1.1 The Remuneration Committee will provide a strategic overview of remuneration packages and advise the CCG Governing Body about appropriate remuneration, the appointment, termination and terms and conditions of the Accountable Officer, Executive Directors, Clinical Leads and other senior managers with locally determined contracts described by the NHS Very Senior Managers Pay Framework.

2. Membership

2.1 The Committee will comprise:

VOTING MEMBERS
Lay Member for Audit and Governance (Chair)
Lay Member for Public and Patient Involvement (Vice Chair)
The Chair of the CCG, except when any matters affecting his/her personal position are being discussed
The Accountable Officer, except when any matters affecting his/her personal position are being discussed
Registered Nurse Lay Member
Secondary Care Doctor Lay Member
1 x GP representative from a CCG Group (unless conflicted)
Director of Planning, Performance and Corporate Services, except when discussions about their own personal position, remuneration and terms of service are taking place
Chief Financial Officer, except when discussions about their own personal position, remuneration and terms of service are taking place
ATTENDEES – NON VOTING MEMBERS
A representative from Human Resources

2.2 Should any matter be put to a vote, all voting committee members present shall have a single vote to cast. In the event that for and against are equal, the Chair of the meeting shall have a second or casting vote.

3. Quorum

3.1 Business will only be conducted if the meeting is quorate. A quorum shall be the Chair (or in exceptional circumstances, Vice Chair) and any 2 Lay Members.

3.2 When the Chair is unavailable, the Vice Chair will deputise.

a. Expectation of Attendance

- i. Members are expected to attend at least two meetings per year.
- ii. Human Resources to attend all Committee meetings

4. Frequency of Meetings

4.1 The Committee will be convened as and when required by the Chair or the Director of Planning, Performance and Corporate Service, or on request from the Accountable Officer.

4.2 It is anticipated that there will be three Committee meetings per annum, with a minimum of two.

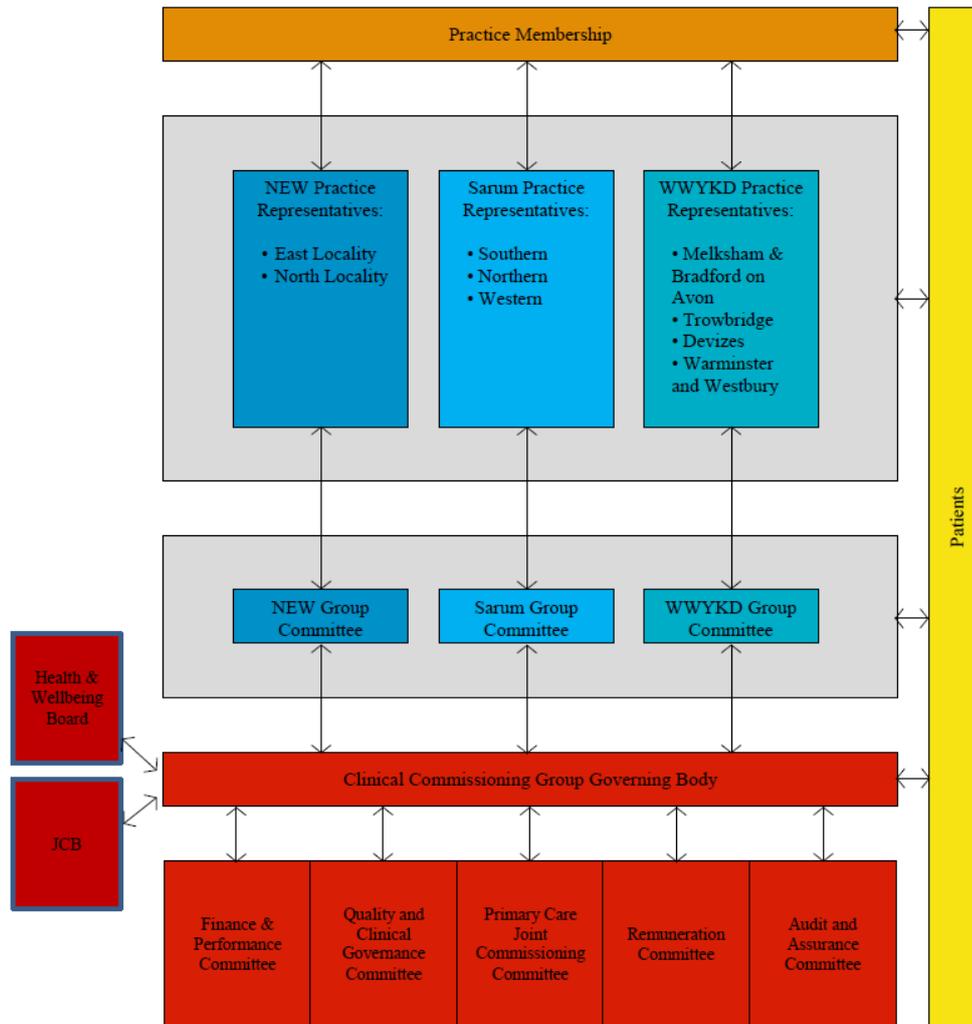
a. Meeting Arrangements

- i. The Chair and Director of Planning, Performance and Corporate Services shall be responsible for agreeing the agenda.
- ii. The agenda and any related papers will be circulated to members at least a week in advance of the meeting. Committee members who are unable to attend should provide their comments to the Chair prior to any meeting.
- iii. The Chair shall be responsible for ensuring appropriate and timely proposals are submitted for consideration, and for ensuring Committee decisions are enacted.
- iv. Formal and confidential minutes will be recorded from each meeting of the Committee, which state the issues considered, decisions and resolutions made and the rationale for these decisions. These shall be maintained by the Board Administrator.
- v. No senior manager will be present for discussions about their own remuneration.

5. Accountable To

- 5.1 The Committee is accountable to the CCG Governing Body for its decision making. The Chair will liaise closely with the Accountable Officer and shall only report to the CCG Governing Body such details of Committee decisions as are necessary for the Accountable Officer and CCG Governing Body to exercise proper stewardship of management costs and associated financial risks.

Figure 1: Clinical Commissioning Group Structure



6. Responsibilities / Authority / Scheme of Delegation

- 6.1 The Committee is authorised by the CCG Governing Body to undertake activity within its Terms of Reference.
- 6.2 At all times the Committee will:
- a) observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned;
 - b) maximise value for money through ensuring that services are delivered in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable;
 - c) be accountable to Parliament, to users of services, to individual citizens, and to staff for the activities of the bodies concerned, for their stewardship of public funds and the extent to which key performance targets and objectives have been met;
 - d) comply fully with the principles of the *Citizen's Charter* and the *Code of Practice on Access to Government Information*, in accordance with Government policy on openness; and
 - e) bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate governance.

- 6.3 The Committee may:
- a) Seek advice from whatever source it deems appropriate;
 - b) Incur reasonable expenditure in the furtherance of its work;
 - c) Authorise the Accountable Officer and Chief Financial Officer to implement remuneration packages approved by the Committee.

6.4 The Governing Body delegates the following to the Committee:

Delegations by the Governing Body to the Remuneration Committee	
Body/individual	Delegation
Remuneration Committee	<ol style="list-style-type: none"> a) Advising the Governing Body on all aspects of salary (including performance related pay elements, bonuses and allowances), provision for other benefits including pensions and lease cars (where applicable) not covered by Agenda for Change. b) Advising the Governing Body on arrangements for termination of employment (including compulsory and voluntary redundancy payments and mutually agreed severance payments) and other contractual terms and conditions. c) Advising the Governing Body on the remuneration, allowances and terms of service of senior managers covered by the Very Senior Managers pay framework ensuring that the terms and conditions of service, remuneration and pay awards are in line with nationally agreed guidance. d) Monitoring and evaluating the performance of individual Executive Members. e) Advising and overseeing appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking into account such national guidance as appropriate. f) Advising the Governing Body on the remuneration, allowances and terms of service for the Chairs and Members of the Group. g) Reporting to the Governing Body that it has met and performed its function, within recognised national guidelines. h) Establishing Sub-Committees to assist in discharging delegated responsibilities of the Committee as set out in its Terms of Reference as agreed by the Governing Body (as required). i) Making relevant policy decisions within the functions of the Committee as set out in its Terms of Reference as agreed by the Governing Body.

7. Accountable For

There are no formal sub-committees which report directly to the Remuneration Committee.

8. Duties

- 8.1 In addition to the list of delegations shown in 6.4, the Committee will:
- Advise the Governing Body about appropriate remuneration, allowances and terms of service for the Accountable Officer, Clinical Leaders and those Senior Managers with locally determined contracts, described within the Pay Framework for Very Senior Managers:
 - a. All aspects of salary;

- b. Contractual arrangements for such staff including the proper calculation and scrutiny of termination of employment payments, taking account of national guidance as appropriate.
- Make such recommendations to the Governing Body on the remuneration, allowances and terms of service and employment of Officer members of the Governing Body and other senior employees to ensure that they are fairly rewarded for their individual contribution to the CCG (whilst having proper regard for the CCG's circumstances and performance, and to the provisions of any national arrangements for such members and staff where appropriate).
- Annually monitor and evaluate, with the Accountable Officer and the Chair, the performance of the Clinical Leaders, Executive Directors, and those Senior Managers with locally determined contracts, described within the Pay Framework for Very Senior Managers.
- With the Chair of the CCG, annually monitor, evaluate and confirm the satisfactory performance of the Accountable Officer.
- In keeping with NHS guidance, decisions concerning pay and contractual matters shall take into account all aspects of salary, non-pay benefits, length of notice period and termination payments, other contract provisions, the scale and complexity of employment challenge, the performance of individuals and the circumstances of the organisation.
- Pay and contractual advice to inform Committee decision shall be secured from informed, impartial sources. Where a matter concerns the Accountable Officer, the Committee shall commission and receive the advice directly. The Remuneration Committee will take advice on any matters it believes to be outside its area of knowledge.
- Remuneration of Lay Members is not decided by the Remuneration Committee, but is decided by the Chair, Accountable Officer and Chief Financial Officer locally, as guided appropriately by wider national guidance, where it exists.

9. Reporting

- 9.1 The Chair of Committee will approve the minutes. Once approved, the minutes will be shared with Committee Members and Human Resources where appropriate. Should the minutes relate to a member of the Committee, sharing of minutes will be restricted. The minutes will be available to the External Auditors upon request.
- 9.2 Any items which require Governing Body approval will be the subject of a separate report.
- 9.3 In line with the Pay Framework for Very Senior Managers, it may be necessary to obtain NHS England ratification, which will be after the Remuneration Committee has approved any proposals.

10. Monitoring

- 10.1 The Committee will review its Terms of Reference on an annual basis as a minimum. Any changes to the Terms of Reference must be approved by the Governing Body.