

## **Terms of Reference**

### **Remuneration Committee**

#### **1. Accountability Arrangements and Authority**

The Remuneration Committee (the committee) is established in accordance with NHS Airedale, Wharfedale and Craven CCG's constitution. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the committee and shall be incorporated into the CCG's constitution.

It is the responsibility of the Governing Body to make decision about the pay of employees and other persons providing services to the CCGs, acting upon the advice of the Remuneration Committee.

The Remuneration Committee is accountable to the Governing Body.

The Remuneration Committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires within its remit, from any employee or member of the Governing Body or Clinical Executive and they are directed to co-operate with any request made by the committee within its remit as outlined in these terms of reference.

The Remuneration Committee is authorised to commission report or surveys it deems necessary to help fulfil its obligations.

The Remuneration Committee is authorised to obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary. In doing so the committee must follow any procedures put in place by the Governing Body for obtaining legal or professional advice.

#### **2. Relationships and Reporting**

The Remuneration Committee is accountable to the CCG Governing Body.

The minutes of the Remuneration Committee shall be formally recorded and submitted to the members within ten days of a meeting for ratification by email.

The Remuneration Committee will report on its meetings via a summary report to the Governing Body in private session and will seek approval from the Governing Body of any recommendations made by the Committee about pay, fees or other allowances payable to employees or other persons who provides services to the CCGs. Sufficient information will

be provided to the Governing Body to explain the rationale for the Committee's recommendations.

The Chair of the Remuneration Committee will draw the attention of the Governing Body to any significant issues or risks arising from the work of the Committee.

The Remuneration Committee will provide an annual report of its work to the Governing Bodies and the Councils of Representatives / Members via the CCGs' Annual Reports. As required by CCG Annual Report guidance this will, as a minimum, include information about: key responsibilities, membership, attendance records and highlights of the Committee's work over the year.

### **3. Role and responsibilities**

The Committee shall make recommendations to the Governing Body about pay, remuneration and conditions of service for employees of the CCG and people who provide services to the CCG (such as clinical leaders) and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme.

Specifically that the Committee will:

- Recommend to the Governing Body the terms and conditions, remuneration and travelling or other allowances, including pensions and gratuities for Governing Body members (excluding the Lay Members), Clinical Executive members and the Chair of the Council of Members.
- Recommend to the Governing Body arrangements for the determination of terms and conditions of employment for all employees of the group including, pensions, remuneration, fees and travelling or other allowances payable to employees and to other persons providing services to the group.
- Recommend to the Governing Body any annual salary increases outside of Agenda for Change.
- Approve the disciplinary policy and procedure for the CCG.
- Receive assurance from the Chair of Council of Members with regard to the annual performance and objective setting of the Clinical Chair.
- Receive assurance from Clinical Chair with regard to the annual performance and objective setting of the Clinical Executive.
- Receive assurance from Clinical Chair with regard to the annual performance and objective setting of the Chief Officer.
- Receive assurance from the Chief Officer with regard to the annual performance and objective setting of the Chief Finance Officer and other senior managers under senior management pay arrangements.
- Recommend to the Governing Body any severance payments made to any employee seeking HM Treasury approval as appropriate

## **5. Membership**

The Remuneration Committee is a non-executive committee and shall be appointed by the CCG from amongst its governing body members. As required by legislation, the chair of the committee shall be one of the lay members:

- Lay Member for Governance
- Lay Member for Patient and Public Involvement
- Lay Member for Finance
- Registered Nurse or Secondary Care Consultant

## **6. Chair**

The Remuneration Committee will be chaired by one of the Lay Members.

The Deputy Chair will be one of the other Lay Members.

Where the Remuneration Committee meets in common with the NHS Bradford City CCG and NHS Bradford Districts CCG, one of the committee chairs will act as meeting chair for the purposes of meeting administration.

## **7. Decision-making and Voting**

Generally, it is expected that meeting decisions will be reached by consensus. Should this not be possible, each voting member of the Remuneration Committee will have one vote. Decisions will be by majority vote.

In the event of a tied vote, the Chair of the committee meeting will have a second and casting vote.

Should a vote be taken, the outcome of the vote and any dissenting views will be recorded in the minutes of the meeting.

Where the Committee meets as Committees in Common with the Remuneration Committee of another CCG(s), each Committee will be required to make its own decision and the Chair of the meeting will not have any additional voting rights as a result of also chairing the meeting.

## **8. Quorum**

Quorum shall be two members of the Remuneration Committee, including the Chair or Deputy Chair.

If the committee is not quorate the meeting may be postponed at the discretion of the Chair. If the meeting does take place and is not quorate, no decisions shall be made at that meeting and such matters must be deferred until the next quorate meeting (or, given the irregularity of meetings, be subject to determination by email exchange).

## **9. In Attendance**

Only committee members have the right to attend committee meetings.

Other individuals such as the Chair, Chief Officer, Chief Financial Officer and external advisers such as HR may be invited to attend for all or part of any meeting, as and when appropriate, however, they should not be in attendance for discussions about their own remuneration and terms of service.

## **10. Meetings**

Meetings shall be held at least annually.

Part of each meeting will normally meet as committees in common with NHS Bradford City CCG and NHS Bradford Districts CCG to consider the performance and remuneration of relevant posts shared across the three CCGs and any other matters relevant to all CCGs.

Part of each meeting and / or separate meetings will be held as an individual CCG to consider the performance and remuneration of relevant posts particular to the individual CCG.

## **11. Sub-Committees / Groups**

The Remuneration Committee may establish sub-committees or groups to support it in its role. However, they may only delegate responsibility and authority to a sub-committee or group, if legally permissible and expressly authorised to do so by the Governing Body.

## **12. Conduct**

The Remuneration Committee will conduct its business in accordance with relevant national guidance and relevant codes of practice such as the Nolan Principles, which are included in the CCGs constitution.

## **13. Management of Conflicts of Interest**

The Remuneration Committee will adhere to the CCG's Business Conduct & Conflicts of Interest Policy.

If any member of the committee has an actual or potential conflict of interest in any matter and is present at the meeting at which the matter is under discussion, they will declare that interest at the start of the meeting and again at the relevant agenda item and this shall be recorded in the minutes. The Chair of the meeting will determine how the interest will be managed in accordance with the CCG's Business Conduct & Conflicts of Interest Policy.

The minutes must specify how the Chair decided to manage the declared interest, i.e. did the individual(s) concerned:

- Take part in the discussion but not in the decision-making?
- Did not take part in either the discussion or decision-making?
- Take part in the discussion and left the meeting for the decision? or
- Left the meeting for the whole of the item?

In making this decision the Chair will need to consider the following points:

- The nature and materiality of the decision.
- The nature and materiality of the declared interest(s).
- The availability of relevant expertise.
- As a general rule (and subject to the judgement of the Chair), if an interest involves a pecuniary interest or a significant non-pecuniary interest, the individual should be asked to leave the meeting for the whole item.

#### **14. Administration**

The Corporate Affairs function will provide administrative support to the committee and will ensure that papers are issued at least five days before a meeting and that draft minutes are circulated within ten working days after a meeting.

The Human Resources function, in conjunction with the Corporate Affairs function, will be responsible for supporting the chair in the management of the committee's business and for drawing the committee's attention to best practice, national guidance and other relevant documents as appropriate.

The Corporate Affairs function in conjunction with the Human Resources function and Chair of the Remuneration Committee will develop and maintain a work programme to inform and guide the work of the committee.

#### **15. Urgent Matters Arising Between Meetings**

The Chair of the Remuneration Committee (or Deputy Chair in the Chair's absence) in consultation with one other remuneration committee member may also act on urgent matters arising between meetings.

These matters will be reported by email, endorsed at the next meeting of the committee and reported to the Governing Body.

#### **16. Monitoring of Performance and Compliance**

The Remuneration Committee will review its own effectiveness, its compliance with its terms of reference and the terms of reference document itself at least annually and a report of the outcomes of this review will be produced and reported to the Governing Body (or the Audit & Governance Committee on behalf of the Governing Body).

The Governing Body is responsible for monitoring the performance of the committee through receipt of its minutes and Annual Report.

#### **17. Date TOR agreed**

Agreed - 3rd October 2018 meeting of the Remuneration Committee

Approved – 13<sup>th</sup> November 2018 meeting of the Governing Body

## **18. TOR Review Date and Approving Body**

Annually, or as and when legislation or best practice guidance is updated.

Any amended Terms of Reference will be agreed by the Remuneration Committee for recommendation to a subsequent meeting of the Governing Body for approval.