

NHS Gloucestershire
Integrated Care Board

Remuneration Committee
Terms of Reference

V2.0
1st July 2022

1. Introduction

- 1.1. The Remuneration Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.
- 1.2. These Terms of Reference (ToR), which must be published on the ICB website, set out the membership, the remit, responsibilities, and reporting arrangements of the Committee and may only be changed with the approval of the Board.
- 1.3. The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

2. Purpose

- 2.1 The Committee's main purpose is to exercise the functions of the ICB relating to paragraphs 17 to 19 of Schedule 1B to the NHS Act 2006. In summary:
- 2.2 Confirm the ICB Pay Policy including adoption of any pay frameworks for all employees including senior managers/directors (including board members) and Non-Executive Members excluding the Chair.
- 2.3 The remuneration and terms and conditions of the ICB Chair is set nationally.
- 2.4 The Board has also delegated the following functions to the Committee:
 - 2.4.1 Oversight of executive board member performance in relation to any performance related pay.
- 2.5 The purpose of the Committee is also to take a strategic role in laying the foundations for aligning Pay and Reward Policies across the ICS such that Gloucestershire can optimise the conditions for attracting, recruiting and retaining the highest calibre senior directors and leaders (including board members) to roles across the ICB and its partner members.

3. Delegated Authority

- 3.1 The Remuneration Committee is a formal committee of the ICB. The Board has delegated authority to the Committee as set out in the Scheme of Reservation and Delegation and may be amended from time to time.

3.2 The Remuneration Committee holds only those powers as delegated in these Terms of Reference as determined by the ICB Board.

4. Membership

4.1 The Committee members shall be appointed by the Board in accordance with the ICB Constitution. The Board will appoint no fewer than three members of the Committee including two independent members of the Board. The Chair of the Audit Committee may not be a member of the Remuneration Committee.

- Committee Chair who shall be an Non-Executive Director of the ICB but cannot be the Chair of the Board of the ICB nor Chair of the Audit Committee;
- The Chair of the Board of the ICB (Deputy Committee Chair);
- Non-Executive Chair of the Board of one of the main provider partner organisations.

4.2 In situations where the Remuneration Committee determines the remuneration of ICB Non-Executive Member, the membership of the committee shall be:

- Non-Executive Director Chair of the Board of one of the main provider partner organisations whom shall assume the position of Chair;
- The Chair of the ICB.

4.3 Members will possess between them knowledge, skills and experience in organisational development, people management and remuneration and technical or specialist issues pertinent to the ICB's business. When determining the membership of the Committee, active consideration will be made to diversity and equality.

4.4 Chair and Vice Chair

4.4.1 In accordance with the Constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.

4.4.2 Committee members may appoint a Vice Chair from amongst the members. In the absence of the Chair, or Vice Chair, the remaining members present shall elect one of their number to Chair the meeting.

4.4.3 The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

4.5 Attendees and other Participants

4.5.1 Only members of the Committee have the right to attend Committee meetings, but the Chair may invite relevant staff to the meeting as necessary in accordance with the business of the Committee.

4.5.2 Meetings of the Committee may also be attended by the following individuals who are not members of the Committee for all or part of a meeting as and when appropriate. Such attendees will not be eligible to vote:

- The ICB's most senior HR Advisor or their nominated deputy;
- Chief Financial Officer or their nominated deputy;
- Chief Executive or their nominated deputy.

4.5.3 The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

- No individual should be present during any discussion relating to:
- Any aspect of their own pay;
- Any aspect of the pay of others when it has an impact on them.

4.6 Attendance

4.6.1 Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

5. **Quoracy**

5.1 For a meeting to be quorate, a minimum of two Non-Executive Members of the Committee are required, including either the Chair of the Committee or ICB Chair and the Non-Executive Chair of the Board of one of the main provider partner organisations.

5.2 If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

5.3 If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

5.4 In situations where the Remuneration Committee determines the remuneration of ICB Non-Executive Members, a minimum of two Non-Executive Members of the Committee are required.

6. Voting and decision making

6.1 Decisions will be guided by national NHS policy and best practice to ensure that staff are fairly motivated and rewarded for their individual contribution to the organisation, whilst ensuring proper regard to wider influences such as national consistency.

6.2 Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

6.3 Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

6.4 Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote. The same principle will be used where the Remuneration Committee meet to determine the remuneration of ICB Non-Executive Members.

7. Frequency and notice of meetings

7.1 The Remuneration Committee shall meet at least once per year; and as the business of the ICB requires.

7.2 The Chair of the Committee may convene additional meetings as required.

7.3 The Committee shall meet in private.

7.4 In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

8. Committee secretariat

8.1 The Committee shall be supported with a secretariat function provided by the Corporate Governance Team. The Governance Team shall ensure that:

- 8.1.1 The agenda and papers are prepared and distributed in accordance with the Standing Orders at least 5 working days before the meeting, having been agreed by the Chair with the support of the relevant HR lead – Associate Director of Corporate Affairs
- 8.1.2 Attendance by members of the Committee is monitored and reported annually as part of the Annual Governance Statement (contained within the Annual Report);
- 8.1.3 Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary;
- 8.1.4 Good quality minutes are taken and agreed with the Chair and that a record of matters arising, action points and issues to be carried forward are kept;
- 8.1.5 The Chair is supported to prepare and deliver reports to the Board;
- 8.1.6 The Committee is updated on pertinent issues/ areas of interest/ policy developments;
- 8.2 Action points are taken forward between meetings and progress against those actions is monitored.

9. Remit and responsibilities of the Committee

- 9.1 The Remuneration Committee has been constituted in terms of its scope, responsibilities, and membership to facilitate the ICB meeting its four fundamental purposes to:
 - **improve outcomes** in population health and healthcare;
 - **tackle inequalities** in outcomes, experience, and access;
 - **enhance productivity** and value for money;
 - help the NHS support broader **social and economic development**.
- 9.2 Each Integrated Care Board Committee will have a remit which encompasses two primary areas of responsibility. First, the Committee will exercise the delegated authority of the Board to execute assurance against a sub-set of its statutory duties and functions. Second, it will retain oversight of progress against the Integrated Care Board's strategic priorities through the developing partnership and integrated working of its members. This balanced approach will ensure that the governance focus of the Committee spans both current performance and risk as well as strategic development and system effectiveness. Committees will have a core membership

spanning both areas of its responsibility, which can be enhanced as required by the addition of co-opted attendees or participants who are invited to contribute to the debate and deliberation of the Committee. The decision on the use of co-opted attendees or participants rests with the Chair of the Committee.

9.3 The Committee's duties are as follows:

9.3.1 For the Chief Executive, Non-Executive Directors and other Very Senior Managers:

- Determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, expenses, pensions and cars;
- Determine arrangements for termination of employment and other contractual terms and non-contractual terms;
- Undertake performance review/ oversight for directors/senior managers as related to any performance related pay;
- Assurance in relation to ICB statutory duties relating to people such as compliance with employment legislation including such as Fit and Proper Person Regulation (FPPR).

9.3.2 For all staff:

- Determine the ICB pay policy and terms and conditions of employment including the adoption of NHS terms and conditions and pay framework i.e. Agenda for Change;
- Determine the arrangements for termination payments and any special payments following scrutiny of their proper calculation and taking account of such national guidance as appropriate.

9.4 The Committee will ensure that its statutory duties and functions are executed alongside the pursuit of a system wide and strategic approach to remuneration.

9.5 The Committee is authorised by the Board of the ICB to obtain legal advice, remuneration or other professional advice, including the appointment of external advisor and/or consultants, related to its functions as it deems fit at the expense of the ICB.

9.6 Approval of any other policies and standard operating procedures (SOPs) as relevant to the committee's business.

10. Relationship with the ICB and other groups / committees / boards

10.1 The Remuneration Committee is directly accountable to the ICB. The minutes of meetings shall be formally recorded. The Committee will advise the Audit Committee on the adequacy of assurances available and contribute to the Annual Governance Statement.

11. Policy and best practice

11.1 The Committee shall have regard to current good practice, policies and guidance issued by NHS England, and other relevant bodies.

11.2 The Committee will take proper account of National Agreements and appropriate benchmarking, for example Agenda for Change and guidance issued by the Government, the Department of Health and Social Care, NHS England and the wider NHS in reaching their determinations

12. Monitoring and Reporting

12.1 The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

12.2 The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board.

12.3 The Remuneration Committee will submit copies of its minutes and a report to the Board following each of its meetings. Where minutes and reports identify individuals, they will not be made public and will be presented at part II of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

12.4 The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year.

13. Conduct of the Committee

13.1 Members will be expected to conduct business in line with the ICB values and objectives

13.2 Members of, and those attending the Committee shall act in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy

13.3 Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

13.4 Conflicts of interests: In discharging duties transparently, conflicts of interest must be considered, recorded and managed. Members should have regard to both the ICB's policies and national guidance on managing conflicts of interest. All potential conflicts of interest must be declared and recorded at the start of each meeting. A register of interests must be maintained by the Governance Team, submitted with the Remuneration Committee papers and annually to the Board. If the Chair considers a conflict of interest exists then the relevant person must not take part in that item, and the Chair may require the affected member to withdraw at the relevant point.

14. Review of ToR

14.1 These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.