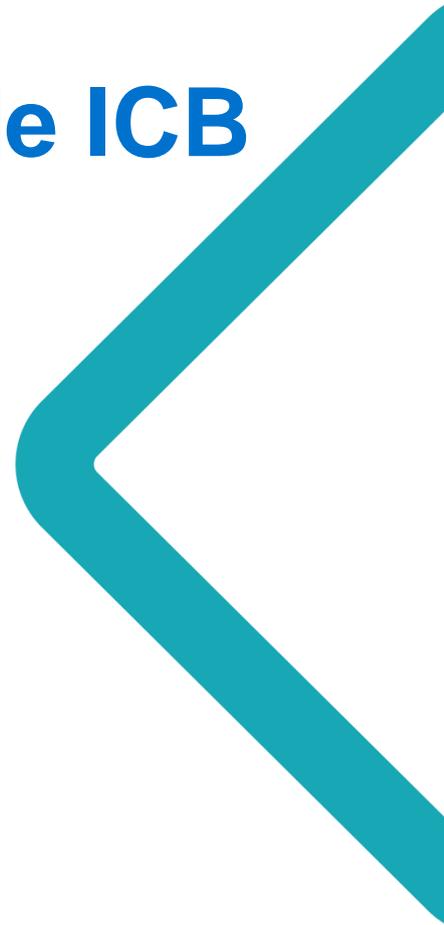


Cheshire & Merseyside ICB

Remuneration Committee

Terms of Reference



Document revision history

Date	Version	Revision	Comment	Author / Editor
1 July 2022	1.0	Initial ToRs		Ben Vinter
29 September 2022	V1:1	Changes made by Remuneration Committee at its September 2022 meeting		Matthew Cunningham
13 October 2022	V1.2	Changes made by Remuneration Committee at its October 2022 meeting		Matthew Cunningham

Review due:
1 July 2023

V1:2 approved by the C&M ICB Board (October 2022)

Remuneration Committee

Terms of Reference

Introduction

NHS Cheshire and Merseyside Integrated Care Board ('NHS Cheshire and Merseyside') has been established 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.

1. Purpose

The Remuneration Committee (the Committee) is established by NHS Cheshire and Merseyside as a Committee of the Board in accordance with its Constitution.

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.

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:

- confirm the ICB Pay Policy including adoption of any pay frameworks for all employees including senior managers/directors (including board members) and non-executive directors.

The Board has also delegated the following functions to the Committee:

- salary, including any performance-related pay or bonus
- provisions for other benefits, including for example pensions and cars and allowances.

The Committee will:

- adhere to all relevant laws, regulations and company policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective
- advise upon and oversee contractual arrangements for Executive Directors, including but not limited to termination payments.

2. Responsibilities / duties

The Committee's duties are as follows:

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

- determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, allowances, pensions and cars
- determine arrangements for termination of employment and other contractual terms and non-contractual terms.

For all staff:

- determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change).
- oversee contractual arrangements
- 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.

For Non-Executive Directors (NEDs):

- determine the ICB remuneration policy (including the adoption of pay frameworks)
- oversee contractual arrangements.

Additional functions that the ICB has chosen to include in the scope of the committee include:

- functions in relation to nomination and appointment of (some or all) Board members through convening an ICB Appointments Panel
- functions in relation to performance review/ oversight for directors/senior managers
- succession planning for the Board
- 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)
- board development which maybe progressed through a discreet working group.

3. Authority

The Remuneration Committee is authorised by the Board to:

- investigate any activity within its terms of reference
- seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the committee) within its remit as outlined in these terms of reference
- obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the committee must follow any procedures put in place by the ICB for obtaining legal or professional advice
- create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and SoRD but may /not delegate any decisions to such groups.
- commission, review and authorise policies where they are explicitly related to areas within the remit of the Committee as outlined within the TOR, or where specifically delegated to the Committee by the ICB Board.

For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation will prevail over these terms of reference other than the committee being permitted to meet in private.

4. Membership & Attendance

Membership

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, of which at least two are NEDs of the Board. Other members of the Committee need not be members of the Board, but they may be.

When determining the membership of the Committee, active consideration will be made to diversity and equality.

The Committee Membership will be composed of:

- Chair, drawn from one of the ICB NEDs
- all NED members of the ICB may be members of the committee recognising that there may be times when the ICB audit chair needs to abstain from taking part in the meeting.

Up to three other non-executive members drawn from Partner organisations within the C&M system, ideally with experience of remuneration committees and / or remuneration decisions for members of Board, may be called to sit on the Committee in an advisory role and vote on decisions that directly impact on the ICB NEDS, including decisions relating to the remuneration of ICB NEDs.

The ICB Chair will also receive a standing invitation to attend and will sit as a member when there is a need to maintain quoracy or when a decision involving ICB NED members is to be made.

Attendees

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.

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
- Director of Finance or their nominated deputy
- Chief Executive or their nominated deputy
- Associate Director of Corporate Affairs and Governance.

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.

Management of Conflicts of Interest

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.

5. Meetings

5.1 Leadership

Committee members may appoint a Vice Chair from amongst the standing members.

In the absence of the Chair, or Vice Chair, the remaining members present shall elect one of their number Chair the meeting recognising that this may not be the ICB Chair or Audit Chair.

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

5.2 Quorum

For a meeting or part of a meeting to be quorate a minimum of two of the ICB NED members¹ is required, with one to act as Chair.

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

Members drawn from the ICB Board must always be in the majority as compared to any members appointed to the Committee from external partners.

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

5.3 Decision-making and voting

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.

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

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

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

5.4 Frequency and meeting arrangements

The Committee will meet in private.

¹ Other than where specified in the constitution to assess NED remuneration where two committee members will also represent the quorum.

The Committee will meet at least twice each year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the Remuneration Committee to convene further meetings to discuss particular issues on which they want the Committee's advice or agreement.

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.

5.5 Administrative Support

The Committee shall be supported with a secretariat function. Which will include ensuring that:

- the agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead
- records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary
- good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept
- the Chair is supported to prepare and deliver reports to the Board
- the Committee is updated on pertinent issues / areas of interest / policy developments; and
- action points are taken forward between meetings.

5.6 Accountability and Reporting Arrangements

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

A summary of key issues discussed and concluded shall be produced and formally submitted to the Board. Reporting will be appropriately sensitive to personal circumstances and contain no personally sensitive or personally identifiable information.

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.

6. Behaviours and Conduct

Benchmarking and guidance

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.



ICB values

Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.

Members of, and those attending, the Committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.

Equality diversity and inclusion

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

7. Review

The Committee will review its effectiveness at least annually

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