

# NHS 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
12 September 2023 12 December 2023	V1.3	Changes made by Remuneration Committee at its September and December 2023 meeting		Matthew Cunningham

**Review due:**

1 September 2024

**V1:3 approved by the C&M ICB Board (25 January 2024)**

# 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 18 to 20 of Schedule 1B to the NHS Act 2006.

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 Board has delegated the following functions and duties to the Committee:

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 associated severance payments, and other contractual terms and non-contractual terms
- advise on and propose the appointment process for the ICBs Chief Executive, in line with the national process.

For Partner Members on the Board:

- approve any ICB Pay and Allowances/Benefits policies and frameworks for Partner Members on the ICB Board

For Non-Executive Directors of the Board:

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

None of the ICBs Non-Executive Directors will be involved in the decision making regarding the determination of their remuneration and any other allowances. On the occasion where this is required the Committee membership be composed of the ICB Chair and up to two Non-Executive Directors drawn from NHS Providers or neighbouring ICBs.

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.
- approve disciplinary arrangements for employees, including the Chief Executive (where he/she is an employee of the ICB).

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

- functions in relation to nomination and appointment of Board members through the convening an ICB Appointments Panel, and as outlined within the ICB Constitution
- functions in relation to the performance review/oversight and appraisals for Executive Directors/Senior Directors, including the Chief Executive and the Chair in line with NHSE guidance on appraisals for Chairs and Chief Executives
- oversight of the succession planning for the Board member positions and Executive Directors
- assurance in relation to ICB statutory duties relating to people such as compliance with employment legislation and including such things as Fit and Proper Person Regulation (FPPR).

### 3. Authority

The Remuneration Committee is authorised by the Board to:

- investigate and approve any activity as outlined 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 without the approval of the ICB Board

- 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 and as outlined within these Terms of Reference.

The Board will appoint no fewer than three members of the Committee, drawn from the Non-Executive Directors of the Board. All Non-Executive Directors 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. Other members of the Committee need not be members of the Board, but they may be.

The Committee may also choose to appoint other individuals to be members of the Committee, drawn from:

- up to two Non-Executive Directors drawn from NHS Providers or neighbouring ICBs, ideally with experience of remuneration committees and / or remuneration decisions for members of Board.

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

The ICB Chair will also receive a standing invitation to attend and will only sit as a member when there is a need to maintain quoracy or when a decision involving ICB Non-Executive Director remuneration or allowances 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:

- Chief People Officer or their nominated deputy
- Director of Finance or their nominated deputy
- Chief Executive or their nominated deputy
- Associate Director of Corporate Affairs and Governance.
- Independent HR Advisors.

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 or decisions relating to:

- any aspect of their own remuneration
- any aspect of the remuneration of others when it has a direct impact on them.

## **5. Meetings**

### **5.1 Leadership**

In accordance with the constitution, the Committee will be chaired by a Non-Executive Director of the Board. Committee members may appoint a Deputy Chair from amongst the standing ICB Non-Executive Directors, with the exclusion of the Non-Executive Director undertaking the role of the ICB Audit Chair.

In the absence of the Chair, or Deputy Chair, the remaining ICB Non-Executive Directors present shall elect one of their number to 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 Terms of Reference.

### **5.2 Quorum**

For a meeting to be quorate a minimum of two Non-Executive Directors of the Board are required, including either the named Chair or the Deputy Chair of the Committee. ICB Board members must form the majority of the membership at a meeting of the Committee, with the exception only being when the Committee is determining the remuneration and allowances of the ICBs Non-Executive Directors.

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.

If on an occasion a Committee meeting is due to start but the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken. Alternatively, the meeting can be called to a halt and an agreement reached to rearrange an additional meeting.

### **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 accordance with the Standing Orders of the ICB and within the authority as delegated to the Committee. 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.

If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication. Decisions will be recorded and formally minuted and ratified at a subsequent formal meeting of the Committee.

#### **5.4 Frequency and meeting arrangements**

The Committee will be held in private.

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 conflicts of interest members' appointments and renewal dates. Provide prompts to renew membership and identify new members where necessary
- good quality minutes are taken in accordance with the ICBs standing orders and Corporate Standards Manual, and agreed with the chair. Keep a record of matters arising, action points and issues to be carried forward- Minutes of the meeting will be circulated to all Committee members within 10 working days of the meeting, highlighting actions by individual members
- 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.



The Chair will provide assurance reports to the Board at the subsequent meeting of the Board following a meeting of the Committee and shall draw to the attention of the Board any issues that require disclosure to the Board or require action. 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 timed where possible to support finalisation of the ICB Annual Report and Accounts. 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

Committee 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.