

## Remuneration Committee

### 1. ESTABLISHMENT AND PURPOSE

- 1.1 The Remuneration Committee (the “Committee”) has been established in accordance with the Constitution of NHS Cheshire Clinical Commissioning Group (CCG).
- 1.2 The Committee is a formal Committee of the CCG Governing Body and has authority as specified within these Terms of Reference. To view where the Remuneration Committee sits within the CCG structure go to [www.cheshireccg.nhs.uk](http://www.cheshireccg.nhs.uk).
- 1.3 The committee is accountable to the Governing Body and any changes to these terms of reference must be agreed with the Governing Body.
- 1.4 The Committee will operate under the direction of the Committee Chair with the assistance of the CCG Director of Governance and Corporate Development and will report to the Governing Body of the CCG.
- 1.5 The Committee has been established to support the CCG in the delivery of its statutory duties and to provide assurance to the Governing Body in relation to the delivery of these duties. It shall:
  - make recommendations to the Governing Body about the remuneration, fees and other allowances for employees and for people who provide services to the group and on determinations about allowances under any pension scheme that the group may establish under paragraph 11(4) of Schedule 1A of the 2006 Act, inserted by Schedule 2 of the Health and Social Care Act 2012.

### 2. COMMITTEE REMIT AND AUTHORITY

- 2.1 In order to deliver its broad purpose as outlined above, the responsibilities of the committee will include making recommendations to the Governing Body on:
  - determinations about the terms and conditions, remuneration, fees and other allowances for governing body members (other than lay members), employees of the CCG (including GPs performing roles within the CCG) and for people who provide services to the group;
  - determinations about allowances under any pension scheme that the group may establish as an alternative to the NHS pension scheme; and
  - arrangements for termination of employment and other contractual arrangements.
- 2.2 The Committee is authorised to:
  - form a sub-committee whose membership will not include any Independent Lay Governing Body members and whose remit is to consider and make

- recommendations to the Governing Body on the remuneration and terms of conditions for the Independent Lay Members on the Governing Body;
- request further investigation or assurance on any area within its remit. It is authorised to seek any information it requires from any employee;
  - obtain outside legal or other independent professional advice and to secure the attendance of advisers with relevant experience and expertise if it considers this necessary;
  - bring matters to the attention of other committees to investigate or seek assurance where they fall within the remit of that committee;
  - to 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 by the Governing Body.
  - make recommendations to the Governing Body and the CCG Membership;
  - escalate issues to the Governing Body and CCG Membership;
  - produce an annual work plan to discharge its responsibilities;
  - approve the terms of reference of any sub-groups to the committee.

2.3 In order to fulfil its role effectively, the Committee will:

- review and recommend to the Governing Body the application of national guidance related to remuneration and conditions of service for the CCG workforce under Agenda for Change (AfC) and non-AfC terms and conditions (T&C's);
- review on an annual basis the CCG Remuneration Framework;
- review on an annual basis the Terms of Reference of any sub-committees of the Remuneration Committee;
- consider and recommend to the Governing Body allowances under any pension scheme the CCG might establish as an alternative to the NHS pension scheme;
- review and consider evidence collected regarding the performance of the CCG Chair, Chief Officer, Chief Finance Officer and other senior team members on VSM or other non AfC Contracts when determining any annual salary awards;
- consider and recommend to the Governing Body the severance payments of the GP Chair, Chief Officer, Chief Finance Officer and of other senior staff on VSM or other non AfC Contracts;
- have the responsibility of reviewing and monitoring those risks within the Governing Body Assurance Framework appropriate to the remit of Committee, ensuring that any identified risks allocated to the Committee are actioned appropriately and that assurances are sought; and
- be responsible for providing assurance to the Governing Body that all corporate duties in relation to this agenda are compliant and in line with corporate aims and objectives.

2.4 In making any recommendations the Committee will take into account:

- provisions of any national guidance arrangements;
- relevant legislation (in particular anti-discrimination and equal pay legislation);
- best practice and affordability;
- employee relations and relevant staffing matters within the CCG;

- remuneration levels elsewhere in the NHS and other relevant labour markets;
- trends and developments in non-pay benefits and terms and conditions;
- organisational performance;
- auditor requirements;
- existing terms and conditions of service;
- statutory health and safety legislation and best practice; and
- CCG values and principles.

### **3. CHAIR ARRANGEMENTS**

- 3.1 The Committee shall be chaired by an Independent Lay Member of the Governing Body. This is in accordance with Regulation 15 of The National Health Service (Clinical Commissioning Groups) Regulations 2012. Guidance from NHS England also indicates that the Chair of the Committee should not also be the individual who is also the Chair of the CCGs Governance, Audit and Risk Committee.
- 3.2 If the Chair is unable to attend a meeting, they may designate another Committee representative to act as Chair (provided that they are also an Independent Lay Governing Body Member).
- 3.3 If the Chair is unable to Chair an item of business due to a conflict of interest, another member of the committee will be asked to Chair that item.

### **4. MEMBERSHIP**

- 4.1 Membership of the Committee must be drawn from the CCGs Governing Body. No voting member will hold a contract of employment or appointment with the CCG other than that for their duties and commitments as a member of the Governing Body. The committee membership should not include full time employees or individuals who claim a significant proportion of their income from the CCG.
- 4.2 The Committee members shall be:
- x3 Independent Lay Governing Body Member
  - x2 General Practice Representative on the Governing Body.
- 4.3 The total number of voting members on the Committee cannot exceed 50% of the voting members of the Governing Body membership.
- 4.4 The Committee may determine which other individuals from within and outside of the CCG to invite to attend Committee meetings. Individuals invited to attend will be done so on the basis of having relevant skills, experience or expertise as necessary to enable the Committee to deal with matters before the committee. Regular attendees do not have any authority to cast a vote.
- 4.5 Key regular attendees with a standing invite to attend Committee meetings will be:
- an Independent HR Advisor to the CCG

- the CCG Director of Governance and Corporate Development (or nominated deputy)
- the CCG Chief Officer (or nominated deputy)
- the CCG Executive Director of Finance and Contracting (or nominated deputy).

4.6 Members or attendees should not make recommendations (or provide advice) relating to their own remuneration or terms and conditions.

4.7 Members of the Committee will be listed in the CCG annual report and accounts.

## 5. QUORACY

5.1 A quorum necessary for the Remuneration Committee to undertake its business is defined as:

- Committee Chair (or nominated Deputy Chair)
- x1 Independent Lay Governing Body Member
- x1 General Practice Governing Body Member.

5.2 Committee members may appoint a deputy to represent them at meetings of the Committee. Committee members should inform the committee chair ahead of the meeting of their intention to nominate a deputy to attend/act on their behalf. They should provide assurance that any such deputy is suitably briefed and suitably qualified, and that the individual fulfils the requirements of the role and is not disqualified by whichever schedules of the regulations that may apply. Alternatively, where appropriate members' views may be sought by email and reported verbally at the Committee meeting.

## 6. DECLARATIONS OF INTEREST, CONFLICTS AND POTENTIAL CONFLICTS OF INTEREST

6.1 All members shall comply with the provisions of *Managing Conflicts of Interest: Statutory Guidance for CCGs* at all times. In accordance with the CCG's policy on managing conflicts of interest, committee members should:

- Inform the Chair of any interests they hold which relate to the business of the committee.
- Inform the Chair of any previously agreed treatment of the potential conflict / conflict of interest.
- Abide by the Chair's ruling on the treatment of conflicts / potential conflicts of interest in relation to ongoing involvement in the work of the committee.
- Inform the Chair of any conflicts / potential conflicts of interest in any item of business to be discussed at a meeting. This should be done in advance of the meeting wherever possible.
- Declare conflicts / potential conflicts of interest in any item of business to be discussed at a meeting under the standing "declaration of interest" item.
- Abide by the Chair's decision on appropriate treatment of a conflicts / potential conflict of interest in any business to be discussed at a meeting.

## **7. DECISION MAKING AND VOTING**

- 7.1 Any decisions undertaken by the Committee for areas where it does not have delegated authority to do so will be in the form of recommendations to the Governing Body. The Committee will usually seek to make these decisions on recommendations by consensus. Where this is not possible, the Chair may call a vote.
- 7.2 Only committee members, as identified in the “Membership” section of these terms of reference, may cast a vote. A person attending a meeting as named deputy of a committee member shall have the same right to vote as the committee member they are representing.
- 7.3 In accordance with 6.1, no member (or representative) with a conflict of interest in an item of business will be allowed to vote on that item.
- 7.4 Where there is a split vote, with no clear majority, the Chair will have the casting vote.

## **8. ACCOUNTABILITY**

- 8.1 The Committee is accountable to the Governing Body of the Clinical Commissioning Group.

## **9. REPORTING ARRANGEMENTS**

- 9.1 Following a Committee meeting, the Committee Chair will provide a summary report of the discussions undertaken at that meeting and submit any recommendations at the subsequent Governing Body meeting.
- 9.2 The Committee will be responsible for providing an annual report to the Governing body outlining the decisions undertaken by the Committee within the financial year. This will form part of an Annual Report to the Governing Body on all decisions undertaken by its sub-committees, and will inform the production of the CCGs Annual Report and Accounts.
- 9.3 The Committee will bring to the attention of the Governing Body in a separate report, any items of specific concern which require Governing Body’s approval to act.
- 9.4 The Committee will provide exception reports to the Governing Body, highlighting any key developments / achievements or potential risks / issues.

## **10. FREQUENCY OF MEETINGS**

- 10.1 The Committee shall meet as a minimum on two occasions during the financial year. When required, additional meetings may be called, upon receipt of a request to the Committee Chair.

## **11. SUB-COMMITTEES**

- 11.1 The Committee may delegate responsibility for specific aspects of its duties to sub-groups. The terms of reference of any sub groups shall be approved by the Committee and can be found within the CCG Corporate Governance Handbook.

## **12. ADMINISTRATIVE SUPPORT**

12.1 The CCG will provide appropriate resource to ensure meetings are fully supported and business is conducted efficiently and effectively. This will include managerial support as well as administrative support.

12.2 The Committee will operate in accordance with the CCG's corporate standards "manual". This will include the following:

- minutes of committee meetings will be taken to ensure an appropriate record of committee discussions / decisions.
- risks and issues will be captured and escalated as appropriate.
- action lists and forward planners will also be maintained to ensure the committee operates efficient and effectively.

## **13. RESPONSIBILITIES OF MEMBERS**

13.1 As well as complying with requirements around declaring and managing potential conflicts of interest (as set out at section 6), Committee members should:

- comply with the CCG's policies on standards of business conduct which include upholding the Nolan Principles of Public Life;
- attend meetings, having read all papers beforehand;
- arrange an appropriate deputy to attend on their behalf, if necessary;
- act as 'champions', disseminating information and good practice as appropriate;
- comply with the CCG's administrative arrangements to support the Committee around identifying agenda items for discussion, the submission of reports etc.

13.2 The independent HR Adviser to the CCG and CCG officers in attendance will be responsible for:

- drawing the Committee's attention to best practice, national guidance and other relevant information required by the Committee to make an informed recommendation to the Governing Body.

## **14. REVIEW OF PERFORMANCE**

14.1 These Terms of Reference were approved on 18 June 2020.

14.2 The Committee shall undertake an annual review of its performance and effectiveness to ensure it has discharged its functions as intended. Any changes to the Terms of Reference resulting from any such review will need to be approved by the CCG Governing Body.

14.3 A review log of all Committee Terms of Reference is held within the CCG Corporate Governance Handbook.