

## ANNEX 4

### NHS Nene Clinical Commissioning Group

#### Remuneration and Terms of Service Committee (operating under a Committee in Common arrangement with NHS Corby CCG) Terms of Reference

<b>Membership</b>	<ul style="list-style-type: none"> <li>• Lay Member for Finance and Planning (Chair)</li> <li>• Lay Member Patient and Public Involvement</li> <li>• Lay Member Primary Care</li> <li>• Lay Member Audit and Governance</li> </ul>
<b>Quorum</b>	<ul style="list-style-type: none"> <li>• 2 x Lay Members</li> </ul>
<b>In Attendance</b>	<ul style="list-style-type: none"> <li>• GP Chair</li> <li>• Joint Accountable Officer</li> <li>• Joint Chief Finance Officer</li> <li>• HR Representation</li> <li>• Board Secretary</li> <li>• Deputy Director of Corporate Affairs</li> </ul>
<b>Frequency of Meetings</b>	<ul style="list-style-type: none"> <li>• A minimum of two meetings per financial year</li> <li>• This Committee shall meet in common with the Remuneration and Terms of Service Committee of NHS Corby CCG.</li> </ul>
<b>Accountability and Reporting</b>	<ul style="list-style-type: none"> <li>• The Committee has delegated authority from the Governing Body to make recommendations within these Terms of Reference.</li> </ul>
<b>Date of Approval by Committee</b>	<ul style="list-style-type: none"> <li>• July 2019</li> </ul>
<b>Date of Ratification by Governing Body</b>	<ul style="list-style-type: none"> <li>• July 2019</li> </ul>
<b>Effective Date</b>	<ul style="list-style-type: none"> <li>• September 2019</li> </ul>
<b>Review Date</b>	<ul style="list-style-type: none"> <li>• July 2020</li> </ul>

## 1. Constitution

The Remuneration & Terms of Service Committee (the Committee) is established in accordance with Nene CCG's Constitution, Standing Orders and Scheme of Delegation as a decision-making committee. These Terms of Reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and shall have effect as if incorporated into Nene CCG's Constitution and Standing Orders.

**This Committee shall meet in common with the Remuneration and Terms of Service Committee of NHS Corby CCG.**

The Committee makes recommendations to Nene CCG's Governing Body relating to all Governing Body Members, clinicians on contracts for services and Very Senior Managers (non-agenda for change grades) in regard to:

- All aspects of salary, including any performance related / bonus elements;
- All provision for other benefits, including pensions and cars;
- Arrangements for termination of employment and other contractual terms; and
- Consideration of their performance.

### 1.1 Committees in Common

CCGs are permitted to delegate to a committee or sub-committee of the CCG. If this committee meets at the same time, in the same location as other committees (from the other CCG) it is referred to as committees in common. It is the place and time that meetings are held that is in common, rather than the committees themselves. In order for committee meetings in common to operate consistently within the legal framework, several requirements must be met:

- Each committee must have its own agenda, although they may be identical
- Each committee must take its own decisions and these must be recorded in its own minutes
- Note that there is more than one committee: committees should be referred to as "committees in common" or "committees meeting in common" and not "a committee in common" – it must be technically possible for each committee in the arrangement to reach a different decision, although this will be unlikely
- There must be clear terms of reference for each committee and clear reporting lines back to both CCG's
- Remuneration Committee members must be members of their respective CCG's Governing Body
- It must be technically possible for each committee in the arrangement, to reach a different decision however unlikely this may be

Regardless of any arrangements permitting decisions to be made following discussion by committees in common, each CCG retains individual accountability for any decisions taken on behalf of their local populations.

### 1.2 What does the law require?

The NHS Act 2006 / Health & Social Care Act 2012 require that each CCG has its own Governing Body and that it must have an Audit Committee and a Remuneration Committee\*. The law does not permit CCGs to have joint arrangements whereby a single Governing Body, Audit or Remuneration Committee acts for more than one CCG, although two CCGs can form committees in common for these purposes. In addition to this, any non-commissioning committees can meet in common.

\*This has been expanded to include the Primary Care Commissioning Committee from 01 April 2017.

## **2. Purpose**

Where the CCG or Governing Body delegates additional functions to the Remuneration Committee, these will be set out in the constitution.

The Committee shall make recommendations to the Governing Body on determinations about pay and remuneration for Very Senior Managers (VSM) and Governing Body members of the CCG. The Committee will also make recommendations on people who provide services to the CCG and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme.

## **3. Membership**

The membership of the Committee will comprise of:

- Lay Member for Finance and Planning (Chair)
- Lay Member Patient and Public Involvement
- Lay Member Primary Care
- Lay Member Audit and Governance

Only Members of the Committee have the right to attend and vote at Committee meetings. Members may appoint a deputy to attend, count towards quoracy and vote so long as one of the existing Members is present. The Committee may require other officers of Nene CCG or individuals to attend all or any part of its meetings.

The Chair of the Committee shall be a Lay Member other than the Lay Member for Audit and Governance. Where a deputy is appointed an alternative non-conflicted existing Member shall chair the meeting.

In cases where one or both Lay Members of the Committee are conflicted (such as when Lay Member contracts are discussed) the Joint Secondary Care Doctor and another Governing Body member would be co-opted to enact any business with the support of a Human Resources specialist in order to enact the business required.

No member or individual attending the committee should be involved in determining their own remuneration.

## **4. Quorum, Frequency of meetings and required frequency of attendance**

The quorum necessary for the transaction of business shall be two Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

All voting shall be by a show of hands and decisions by a simple majority. In the case of an equality of votes, the Chair shall have a second or casting vote. Anyone taking a dissenting view will have their dissent recorded in the Minutes.

A minimum of two meetings will be held within a financial year, with 5 working days' notice in advance of meetings.

## **5. In attendance**

- Joint Chief Finance Officer
- GP Chair
- Joint Accountable Officer
- HR Representation

- Deputy Director of Corporate Affairs
- Board Secretary

The GP Chair and Joint Accountable Officer will be in attendance at meetings but will withdraw at the point at which their own remuneration will be discussed. Advice will be sought in advance of the meeting from a Human Resources professional who will be in attendance.

Those in attendance may appoint a deputy to attend on their behalf but should aim to attend at least one scheduled meeting per annum.

The Chair of the NHS Corby CCG Remuneration and Terms of Service Committee will be invited to attend as required to discuss senior joint positions. This will be at the discretion of the Committee Chair.

## **6. Authority**

The Committee has delegated authority from the Governing Body to make recommendations within these Terms of Reference.

The Committee will apply best practice in its decision making processes. When considering individual remuneration the Committee will:

- Comply with current disclosure requirements for remuneration
- Seek independent advice about remuneration for individuals when required
- Ensure that decisions are based on clear and transparent criteria

The Committee may commission any report or survey it deems necessary to fulfil its obligations.

## **7. Duties**

The responsibilities of the Committee can be categorised as follows:

- Recommend for approval by the Governing Body the terms and conditions, remuneration and travelling or other allowances for all Governing Body Members, clinicians on contracts for services and Very Senior Managers (non-agenda for change grades) including pensions and gratuities (Directors on agenda for change grades do not fall under the remit of the Committee).
- Obtain assurance as to the effectiveness of processes for both the setting of objectives and the review of performance of CCG staff, that includes the GP Chair, Joint Accountable Officer and lay members as appropriate.
- Monitor and recommend for approval by the Governing Body any and all severance payments and agreements ensuring value for money and payments are in the best interests of the public purse;
- Monitor and recommend for approval by the Governing Body any and all consultation spend;
- Recommend for approval by the Governing Body any arrangements for termination of employment and any other contractual matter in respect of the posts within the remit of the Committee;
- Review any arrangements outside national terms and conditions;
- Receive assurance that appropriate controls are operating to ensure that the requirements of the national pay framework for executive roles are complied with;
- Receive assurance that appropriate controls are operating to ensure that requirements to seek approval from the Chief Secretary to the Treasury for salaries above specified levels are complied with;
- Have due regard to Treasury, HMRC and NHSE Guidance regarding any “off payroll” payments; and
- With input from the Joint Accountable Officer, keep under review all aspects of the reward strategy within Nene CCG.

## **8. Reporting Arrangements**

The Committee is accountable to and will report to the Governing Body on its proceedings after each meeting. There are no Committees which are accountable to or report to the Committee.

## **9. Compliance and Effectiveness**

The Committee shall conduct its business in accordance with national guidance, relevant codes of practice including the Nolan Principles and the Conflict of Interest policy. The committee will apply best practice in the recommendation making processes, for example, when considering individual remuneration the committee will:

- Comply with current disclosure requirements for remuneration;
- On occasion seek independent advice about remuneration for individuals; and
- Ensure that decisions are based on clear and transparent criteria.
- It is usual that the committee would have full authority to commission any reports or surveys it deems necessary to help it fulfil its obligations

## **10. Administration**

The Committee shall be supported administratively by the Board Secretary whose duties in this respect will include:

- Review of the Terms of Reference
- Maintain agenda and agreement of the agenda with the Chair
- Collation and distribution of papers
- Taking and issuing the minutes and preparing an action log in a timely way;
- Record attendance

All Members will be required to make a declaration of interest (including a Nil Return) on joining the Committee and in line with each CCG's Policy on Conflicts of Interest. On the circulation of meeting papers Members will be asked to consider whether they have a potential or actual conflict of interest specifically relating to any agenda items to be discussed and will be expected to notify the Chair prior to the meeting if they do. Consideration will then be given as to how this conflict will be managed at the meeting and whether the person concerned may or may not remain in the meeting. The Chair will ask at the start of every meeting whether anyone has a potential or actual conflict of interest relating to items on the Agenda (including those that have identified a conflict prior to the meeting as above, as this will be noted for the Minutes).

## **11. Requirement for review**

The Terms of Reference will be reviewed annually or sooner if required with recommendations made to the Governing Body for ratification. The Board Secretary will monitor the frequency of Committee meetings and attendance records to ensure minimum attendance figures are complied with. The attendance of Members of the Committee will be reported in Nene CCG's Annual report.

## **12. FOI Reminder**

The minutes (or sub-sections) of the Committee, unless deemed exempt under the Freedom of Information Act 2000, shall be made available to the public, through the Governing Body meeting.

## **13. Equality Act**

Each decision/recommendation made by the Remuneration and Terms of Service Committee should align to the CCGs commitment to equality and inclusion. And by doing so, the Remuneration and Terms of Service Committee must be satisfied that recommendations made meet the requirements of equality law, including but not limited to the Equality Act 2010; s149 Public Sector Equality Duty (PSED).