

Integrated Care Board REMUNERATION COMMITTEE - TERMS of REFERENCE

1. Constitution

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.

These terms of reference, 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.

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. Authority

The 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) 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 Scheme of Reservation and

Delegation (SoRD) but may not delegate any decisions to such groups

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

The Committee may not establish any subcommittees without prior Board approval as stated in the Constitution and SoRD.

3. Purpose

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) but excluding non-executive Board member directors¹ and excluding the Chair.

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

4. Membership and attendance

4.1 Chair and Vice Chair

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.

Committee members may appoint a Vice Chair from amongst the other ICB non-executive director members.

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

¹ Remuneration for Non-Executive Members will be set by a Panel, comprising the Chair, Chief Executive and Executive Chief Nurse.

4.2 Membership

The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

The Board will appoint no fewer than three independent members of the Committee including at least two non-executive members of the Board. Other independent members of the Committee need not be non-executive members of the Board.

The Chair of the Audit Committee may not be a member of the Remuneration Committee.

The Chair of the Board may be a member of the Committee but may not be appointed as the Chair or Vice Chair.

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

The Board has determined the membership of the Remuneration Committee as:

- 3 Non-Executive Members of the Board (excluding the Audit Chair).

4.3 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:

- ICB Chief Executive or their nominated deputy
- ICB Executive Chief Nurse or their nominated deputy
- ICB Executive Director of Finance or their nominated deputy
- Director of Workforce or their nominated deputy
- Director of Corporate Governance and Board Secretary or their nominated deputy

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

4.4 Attendance

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

5. Meetings Quoracy and Decisions

The Committee will meet 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, ICB 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.

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.

5.1 Quorum

For a meeting to be quorate a minimum of two of the non-executive members is required, including the Chair or Vice Chair.

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

Where the meeting is not quorate, owing to the absence of certain members or due to conflicts of interest, the discussion will be deferred until such time as quoracy can be achieved. Where quoracy is not possible owing to the arrangements for managing conflicts of interest, the Chair of the meeting shall

consult with the Chair of the ICB to establish an appropriate course of action to progress the item of business. These arrangements must be recorded.

5.2 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. 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.

6. Responsibilities of the Committee

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, pensions and cars
- Determine arrangements for termination of employment and other contractual terms (decisions requiring dismissal shall be referred to the Board)
- **Oversee the arrangements regarding performance to include succession planning for the executive team, diversity of the executive and performance of individual executives and team**
- Receive assurances in relation to ICB statutory duties relating to people, such as compliant with employment legislation, including Fit and Proper

Persons Regulations.

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.

7. Behaviours and Conduct

7.1 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.

7.2 ICB values

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

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

7.3 Equality and diversity

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

8. Accountability and reporting

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

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

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 B (i.e. private meeting) of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

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.

9. Secretariat and Administration

The Committee shall be supported with a secretariat function which will ensure 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 are kept 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
- Action points are taken forward between meetings.

10. 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.

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