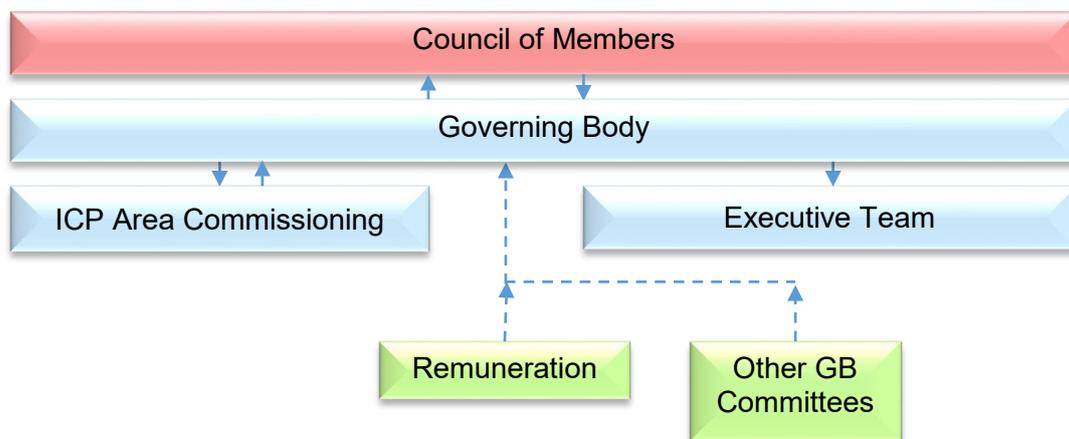


Surrey Heartlands Clinical Commissioning Group

Remuneration Committee

Terms of Reference

Approved: 1st April 2020



1. Context

- 1.1. The Surrey Heartlands Clinical Commissioning Group has established a committee of the Governing Body known as the Remuneration Committee ('the Committee') in accordance with Schedule 1A of the National Health Service Act 2006 (as amended) ("the NHS Act").
- 1.2. The Committee is established in accordance with the CCG's constitution. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and shall have effect as if incorporated into the CCG's constitution.

2. Purpose & Objectives

- 2.1. The purpose of the Committee is set out in the CCG's Constitution.
- 2.2. The Committee provides the Governing Body with a formal and transparent procedure for developing systems, policies and procedures on executive (including Very Senior Managers (VSM)) remuneration and for agreeing and recommending the remuneration packages of members of the Governing Body, Executive Directors and GPs.

- 2.3. The Committee makes recommendations to the Governing Body on policy determinations relating the remuneration, fees and other allowances for all employees, Workers, Self-employed Consultant and Office Holders who are employed through payroll¹ and invoice who provide services to the CCG.
- 2.4. The Committee will consider and make recommendations to the Governing Body on arrangements to be determined locally as set out in the NHS Terms and Conditions Handbook or any other locally agreed allowances, including determinations under any pension scheme that the CCG may establish as an alternative to the NHS pensions scheme.

3. **Accountability/ Delegated Authority**

- 3.1. The Committee is accountable to the Governing Body.
- 3.2. The minutes of Committee meetings shall be formally recorded and retained.² The Chair will produce a Summary Report that records the recommendations of the Committee and provides sufficient information to provide assurance to the Governing Body to allow it to make their decisions, without revealing personal information. (For clarity – The Summary Report will be considered in the Part II section Governing Body meeting.)
- 3.3. The Committee is authorised by the Governing Body to investigate any activity within these terms of reference. It is authorised to seek any information it requires from any member, officer or employee who are directed to co-operate with any request made by the Committee. The Committee is authorised by the Governing Body to obtain outside legal or other independent professional advice and to secure the attendance of other individuals with relevant experience and expertise if it considers necessary.
- 3.4. The CCG's annual report shall include a section describing the work of the Committee in discharging its responsibilities.

4. **Sub Committees & Delegation**

- 4.1. The Remuneration Committee has established a sub-committee for the purpose of determining matters relating to lay-members' remuneration
- 4.1.1. **Membership of the** sub-committee will include any non-conflicted member of the Committee plus include the following individuals:
- Accountable Officer.

¹ this includes staff working for the Integrated Care System.

² The minutes will contain personal information that should not be revealed even at a Part 1 Governing Body meeting. The minutes must be retained so that the Auditors can provide assurance of the accuracy of the Summary Report submitted to the Governing Body.

- Chief Finance Officer.
- 4.1.2. The sub-committee will be chaired by a member of the Remuneration Committee.
- 4.1.3. The sub-committee makes recommendations to the Governing body directly with a copy to the Remuneration Committee.
- 4.1.4. The sub-committee will use the same Terms of Reference as for the Remuneration Committee as amended by this paragraph (4.1).
- 4.2. The Remuneration Committee may not establish any other sub-committee or delegate its responsibilities.

5. Responsibilities

- 5.1. The Committee will consider and recommend to the Governing Body the appropriate remuneration and terms of service for the Chair, Accountable Officer, other Governing Body members, Executive Directors and GPs including:
- all aspects of salary (including any performance-related elements/bonuses);
 - provisions for other benefits, including pensions and payments; and
 - arrangements for termination of employment and other contractual terms.
- 5.2. The Committee will consider the severance and settlement payments including those requiring HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money' (available on the HM Treasury.gov.uk website).
- 5.3. The Committee shall approve arrangements for identifying the CCG's proposed Accountable Officer
- 5.4. The Committee shall review the performance of the Accountable Officer, Executive Directors and GPs determine the annual remuneration package, if appropriate.
- 5.5. The Remuneration Chair shall attend the CCG's AGM prepared to respond to any questions that may be raised on matters within the Committee's area of responsibility.
- 5.6. The Committee shall adhere to all relevant laws, regulations and policy in all respects, including:
- a) national guidance (i.e. NHS Improvements price cap); and
 - b) Treasury compliance/ approvals.
- 5.7. It will take into account:
- c) benchmarked information of other clinical commissioning groups' costs; and
 - d) the competing earnings potential in primary care.

- 5.8. The Committee will review and recommend Human Resource policies to the Governing Body for approval.
- 5.9. The Committee is responsible for reviewing those risks on the Corporate Risk Register and Governing Body Assurance Framework which have been assigned to it and ensure that appropriate and effective mitigating actions are in place, including giving assurance to the Governing Body on risks associated with the Committee's purpose.

6. Membership

6.1. The membership of the committee shall consist of:

6.1.1. Members (or nominated deputies):

- Lay Member, who shall be the Chair (this cannot be the Audit Chair);
- Lay Member (Audit), who shall be the Deputy Chair; and
- One GP Clinical Representative of the Governing Body.

6.2. Appointment of Members:

- 6.2.1. All members of the Committee must be members of the Governing Body.
- 6.2.2. The members of the Committee shall be appointed by the Governing Body.
- 6.2.3. The Chair of the Governing Body will not be a member of the Committee.
- 6.2.4. Members of the Committee should aim to attend all scheduled Committee meetings. The Chair will review with the Chair of the Governing Body any circumstances in which a Member's attendance falls below 75% attendance.

7. Deputies / attendees

- 7.1. Committee members may nominate a suitable³ deputy when necessary and subject to the approval of the Chair. All deputies should be fully briefed and the Corporate Office informed of any agreement to deputise so that quoracy can be maintained.
- 7.2. No person attending the meeting in one role can additionally act on behalf of another person as their deputy.
- 7.3. The following post holders of the CCG shall routinely attend meetings:
- the Accountable Officer;
 - the Chief Finance Officer;
 - the Director of Corporate Affairs and Governance; and

³ "Suitable" means an individual who fulfils the characteristics of 6.1 and who is not disqualified.

- a Human Resources lead.
- 7.4. No one may be in attendance for discussions about their own remuneration and terms of service or contract.
- 7.5. Other members, officers or employees of the CCG may be invited by the Committee to attend meetings, as appropriate. Those invited to attend a meeting will not be entitled to vote.

8. Quorum

- 8.1. A quorum shall be two Committee members, which must include:
- Chair (or Deputy Chair)
- 8.2. The Chair will decide if the meeting is quorate after any actions have been taken to manage any declared conflicts of interest.
- 8.3. Nominated deputies attending committee meetings, on behalf of substantive members, will count towards quorum.
- 8.4. If a meeting is not quorate, the Chair may adjourn the meeting to permit the appointment or co-option of additional members if necessary. The Chair will have the final decision as to their suitability.
- 8.5. Any decisions put to a vote at a Committee meeting shall be determined by a majority of the votes of members present (For clarity: members may be physically attending the meeting or participating by an agreed telecommunications link - see section 10). In the case of an equal vote, the Chair shall have a second and casting vote. The chair will declare the result of the vote.

9. Meetings

- 9.1. The committee will meet a minimum of four times per year and have an annual rolling programme of meeting dates and agenda items.
- 9.2. The Committee will operate in accordance with the CCG's Standing Orders. The Corporate Office will be responsible for ensuring administrative support to the Committee. This will include:
- Giving notice of meetings (including, when the Chair deems it necessary in light of the urgent circumstances, calling a meeting at short notice)
 - Issuing an agenda and supporting papers to each member and attendee no later than 5 days before the date of the meeting;
 - Ensuring an accurate record (minutes) of the meeting.
- 9.3. The committee will meet in private and agendas and papers will not be published.

- 9.4. Meetings may be held by conference call or by electronic means, so long as the technology provides live and uninterrupted conferencing facilities.
- 9.5. With the agreement of the Chair and by exception one or more Members of the Committee may participate in meetings in person or virtually by using video or telephone or web link or other live and uninterrupted conferencing facilities.
- 9.6. An extra meeting of the Committee can be called at the request of the Chair or the Clinical Chair.
- 9.7. Where an extra meeting needs to be scheduled, every endeavour will be made to give at least 10 working days' notice. Notification will be given by email.
- 9.8. Non-members may be required to withdraw from the confidential part of the meeting.
- 9.9. Members of the Committee have a collective responsibility for the operation of the Committee. They will participate in discussion, review evidence and provide objective expert input to the best of their knowledge and ability, and endeavour to reach a collective view.

10. Agenda Preparation

- 10.1. The Committee will develop the forward-looking rolling Agenda programme, maintained by the Corporate Office.
- 10.2. The Chair will prepare the next meeting's agenda with the support from the Corporate Office.

11. Managing Conflicts of Interest

- 11.1. The members of the Committee must comply fully with NHS England Guidance and CCG Policy regarding Conflict of Interest⁴.
- 11.2. The Chair is responsible for managing conflicts of interest at a meeting of the committee. If the Chair has a conflict of interest, then another non-conflicted member of the committee is responsible for deciding the appropriate course of action.
- 11.3. At the start of the meeting, the Chair will invite members to declare if they have any conflicts of interest with the business to be conducted, including previously declared interests.
- 11.4. The Chair will decide any necessary course of action to manage a declared conflict of interest as advised by the CCG Conflict of Interest Policy.

⁴ The Management of Conflicts of Interest is included in the Standards of Business Conduct Policy.

- 11.5. Any declared conflicts of interest will be recorded in the minutes along with any action taken, in a form as advised by the CCG Standards of Business Conduct and Conflict of Interest Policy. In summary the information recorded is
- the name of the person noting the interest;
 - the nature of the interest and why it gives rise to the conflict;
 - the item of the agenda to which the interest related;
 - how it was agreed that the conflict should be managed;
 - evidence that the conflict was managed as intended.

12. Decision-making

- 12.1. The aim of the Committee is to achieve consensus decision-making wherever possible. When the Chair determines a consensus has been achieved by the members present then the decision will be considered to have been made by the Committee.
- 12.2. Each member of the Committee shall have one vote.
- 12.3. If the Chair determines that there is no consensus or one member disputes that consensus has been achieved, a vote will be taken by the Committee members. The vote will be passed with a simple majority the votes of members present. In the case of an equal vote, the Chair shall have a second and casting vote.
- 12.4. The result of the vote will be recorded in the minutes.
- 12.5. All decisions taken in good faith at a meeting of the Committee shall be valid even if there is any vacancy in its membership or, it is discovered subsequently, that there was a defect in the calling of the meeting, or the appointment of a member attending the meeting

13. Emergency/ Chair's action

- 13.1. The Committee will delegate responsibility for emergency powers and urgent decisions to the Chair (or a deputy, if the chair is unavailable).
- 13.2. In the event of an urgent decision being required, this shall be taken by the Chair (or deputy); who must consult at least one other member of the committee who is a member of the Governing Body prior to taking the decision.
- 13.3. Urgent decisions must be reported to the next Committee meeting following the urgent decision for ratification by the full meeting together with a report detailing the grounds on which it was decided to take the decision on an urgent basis and the efforts made to contact the relevant other members of the Committee prior to taking the decision.

14. Corporate Office

- 14.1. The Corporate Office will ensure the provision of a Secretary to the meeting who shall attend to take minutes of the meetings and provide appropriate administrative support to the Chair and Committee members.
- 14.2. The Human Resources Lead will be responsible for supporting the Chair in the management of the Committee's business and for drawing the Committee's attention to best practice, national guidance and other relevant documents as appropriate.
- 14.3. The Secretary will ensure minutes of the Committee are presented to the next meeting for formally sign off.
- 14.4. The Human Resources lead will arrange for the submission of the Chair's summary meeting report to the Governing Body Part 2 Meeting.
- 14.5. The Terms of Reference of the Committee will be made publicly available, as if integral to the Constitution. Information that is non-confidential may also be shared with various audiences under specific circumstances (i.e. the production of reports) within reason and where sharing is not restricted by overriding legislation, such as the Data Protection Act. This standard will also apply to any requests under the Freedom of Information Act.

15. Policy and Best Practice

- 15.1. The Committee will apply best practice in its decision-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.

16. Conduct of the Committee

- 16.1. The CCG has a code of conduct in place which defines required standards of behaviour for individuals working within this organisation, and those performing or authorising activities or advisory duties on our behalf. The Committee and its membership will conduct itself in accordance with these standards and principles.
- 16.2. The CCG code of conduct specifically covers an employee/member's responsibility in relation to hospitality and gifts, and has regard to:
 - Professional Standards Authority Standards for Members of NHS Boards and Clinical Commissioning Group Governing Bodies in England,

- NHS Business Services Authority Standards of Business Conduct Procedure,
- Nolan seven principles of public life.

17. Review of Terms of Reference

- 17.1. The Committee will self-assess its performance on an annual basis, normally starting each January, referencing its work plan to ensure that the business transacted in meetings has effectively discharged the duties as set out in the Terms of Reference.
- 17.2. These terms of reference will be reviewed annually by the Committee membership. Any proposed changes to the ToR and responsibilities will be presented to the CCG Governing Body and NHS England for approval.
- 17.3. A log of all reviews since the Approval Date is maintained in the Governance Handbook.