

NHS County Durham CCG

REMUNERATION COMMITTEE

Terms of Reference
Effective from 1 April 2020

1. Introduction

The Remuneration Committee (the committee) is established in accordance with the NHS County Durham Clinical Commissioning Group's Constitution, standing orders and scheme of delegation. 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.

The Remuneration Committee (the Committee) shall make recommendations to the Governing Body on pay and remuneration for senior employees of the Clinical Commissioning Group (CCG) and people who provide services to the CCG, and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme.

The advice given by the Committee will have been reached following due consideration of all relevant internal and external factors, so that the decisions of the Governing Body are publicly defensible and reached with probity, discipline and objectivity. For the purposes of this Committee, 'Directors' refers to all executives who are members of the Governing Body.

2. Remit and responsibilities

The Committee shall consider and make recommendations to the Governing Body on:

- a. determinations about pay and remuneration, including any performance-related bonuses, for employees of the CCG and people who provide services to the CCG and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme.
- b. provisions for other benefits, including pensions and lease cars, arrangements for termination of employment and other contractual terms.
- c. appropriate contractual arrangements for senior staff.
- d. the severance payments of the Accountable Officer and usually of other senior staff, seeking HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money'.

- e. No member of the Committee may play a part in the discussion or determination about their own salary or terms and conditions.
- f. The Remuneration Committee may not discuss the remuneration or terms and conditions of Lay Members. The Governing Body has established a panel to determine lay member remuneration and allowances. Details are included in the Governance Handbook.

In addition, the Committee will be responsible for receiving a report from the Governing Body Chair on the outcome of the appraisal of the Accountable Officer.

3. Policy and best practice

The Committee will apply best practice in the decision making processes, for example, when considering individual remuneration the Committee will:

- comply with current disclosure requirements for remuneration,
- if required seek independent advice about remuneration for individuals, and
- ensure that decisions are based on clear and transparent criteria.
- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned.

The Committee has full authority to commission any reports or surveys it deems necessary to help it fulfil the remit outlined above.

The Committee will advise on any other matter that the Secretary of State for Health deems necessary or appropriate.

4. Membership

The Committee shall be appointed by the Governing Body from amongst its Governing Body members. Only members of the Governing Body may be members of the Remuneration Committee.

The Members will be two Lay Members of the Governing Body, the Secondary Care Specialist and the Chair of the Governing Body.

The Chair and Vice-Chair of the Committee will be Lay Members of the Governing Body.

The Chair of the Audit Committee will not be a member of the Committee.

In attendance:

The following individuals may be invited to attend for all or part of the meeting, providing their own remuneration or terms of service are not being discussed:

Accountable Officer
Chief Operating Officer

Chief Finance Officer
HR Lead from North of England Commissioning Support (NECS),
External advisors
Other members of staff may attend to present reports

5. Quoracy

A meeting of the Committee will be quorate when two members are present, including the Committee Chair or Vice Chair.

6. Frequency of Meetings

The Committee would normally meet on an 'as required' basis.

The Committee can by agreement meet 'in common' with the corresponding meeting in other CCGs if agendas have common areas that would benefit from a broader discussion.

7. Administration

Arrangements for administrative support to the Committee will be provided by the corporate office and will, with the exception of the below, be in line with the arrangements outlined in the Standing Orders.

The Committee Chair will be responsible for setting the agenda, in discussion with the Accountable Officer. Requests for items to be included on the agenda should be sent to the Accountable Officer and the Committee Chair. All papers for discussion must be submitted to the Accountable Officer for approval before the agreed deadline, unless the Accountable Officer is conflicted in a specific paper – these will then be submitted to the Committee Chair.

If an item needs to be raised on the day, this will be covered under 'any other business', subject to there being available time as determined by the Committee Chair.

Minutes of each meeting will be formally recorded and submitted to the next meeting.

The Committee will endeavour to make decisions by consensus. Where there is no consensus on a particular matter, that matter may be put to a vote. In the event of a tied vote, the Chair of the Committee shall have the casting vote.

8. Conflicts of interest

Members should comply with the CCG's Standards of Business Conduct and Declarations of Interest Policy and complete a declaration of interest form on an annual basis or earlier if a conflict arises (and in any event within 28 days of such a conflict arising).

If a member feels compromised by any agenda item they should declare a conflict of interest as soon as they are aware of it, ideally before the meeting. The conflict will

then be considered by the Chair either prior to the meeting or at the meeting. The Chair would then determine whether the person who declared the interest should leave the meeting for the discussion and decision making, take part in the discussion but not the decision making or take part in both the discussion and the decision making of that particular agenda item. A detailed record of any declarations of interest made in relation to the items on the agenda will be recorded in the minutes of the meeting and on the declaration of interest form which will be signed by the Chair.

9. Relationship with Governing Body

The Committee provides the Governing Body with recommendations for its consideration and approval.

The Committee will report either verbally or in writing to a confidential meeting of the Governing Body the basis for its recommendations, ensuring that sufficient information is provided to allow the Governing Body to make a considered decision on the recommendations of the Remuneration Committee.

The Chair of the Committee shall draw to the attention of the Governing Body, any issues that require disclosure to the relevant statutory body, or require executive action. They will also highlight any risks to the Governing Body. Minutes of the Governing Body meetings shall record such decisions.

10. Conduct of the Committee

All members of the Committee and participants in its meetings will comply with the Standards of Business Conduct for NHS Staff, the NHS Code of Conduct, and the CCG's Policy on Standards of Business Conduct and Declarations of Interest which incorporate the Nolan Principles.

Members of, and those attending, the Committee shall respect confidentiality requirements as set out in the CCG's Standing Orders and Standards of Business Conduct and Declarations of Interest Policy.

The terms of reference will be reviewed at least once per financial year to ensure they meet all legislative requirements required and best practice and any changes will be approved by the Governing Body.

Amendments to the Terms of Reference also require approval by NHSE, as a change to the Constitution.

Signed:

Effective from: 1 April 2020

Review period: Annually