

**Date:** 14.4.16 **Meeting:** CCG Governing Body  
**Item No.** 8.3  
**Public** X

**REPORT TITLE:** Remuneration Committee Terms of Reference  
  
**DECISIONS TO BE MADE:** To consider the adoption of revised terms of reference for the Remuneration Committee

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<b>Continue to improve the quality of services</b>		<b>Improve patient experience</b>	
<b>Reduced unwarranted variations in services</b>		<b>Reduce the inequalities gap in North Lincolnshire</b>	
<b>Deliver the best outcomes for every patient</b>		<b>Statutory/Regulatory</b>	

**Executive Summary (Question, Options, Recommendations):**

- At a meeting held on 25 February 2016 the Remuneration Committee reviewed its terms of reference and a copy of the proposed revised terms of reference is attached as Appendix 1. The proposed changes are as follows:
  - The quoracy requirements have been amended so that at least one GP member must be in attendance
  - The ratification of all new and amended HR policies has been added to the committee's remit in accordance with the decision taken by the Governing Body on 8 October 2015
  - References to the now defunct Yorkshire and Humber Commissioning Support have been removed.
- The Remit and Responsibilities section of the terms of reference states that 'the committee shall make recommendations to the Governing Body'. In reality the Remuneration Committee has assumed delegated responsibility for taking decisions within its remit without reference to the Governing Body. This is due to the fact that decisions normally need to be implemented urgently and are usually sensitive in nature. This mismatch between the agreed terms of reference and normal practice is unsatisfactory and could lead to decisions being challenged. Consequently implementation of any decision either needs to be delayed until it has been ratified by the Governing Body or delegated responsibility needs to be formally recognised in the Remuneration Committee's terms of reference. If the latter course of action is considered appropriate then a report outlining decisions taken should be submitted to the Governing Body at the earliest opportunity.

It is recommended that:

- The revisions to the Remuneration Committee terms of reference agreed at the Remuneration Committee meeting on 25 February 2016 be adopted
- The Remuneration Committee be given delegated authority to make decisions with its remit
- A report outlining decisions taken by the Remuneration Committee be submitted to the Governing Body at the earliest opportunity.

<b>Equality Impact</b>	<b>N</b>	Not Applicable
<b>Sustainability</b>	<b>N</b>	None

<b>Risk</b>	<b>N</b>	None
<b>Legal</b>	<b>N</b>	None
<b>Finance</b>	<b>N</b>	None

<i>Patient, Public, Clinical and Stakeholder Engagement to date</i>									
	<i>N/A</i>	<i>Y</i>	<i>N</i>	<i>DATE</i>		<i>N/A</i>	<i>Y</i>	<i>N</i>	<i>DATE</i>
Patient:	X				Clinical:	X			
Public:	X				Other:	X			

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

#### 1. INTRODUCTION

The Remuneration Committee (the committee) is established in accordance with NHS North Lincolnshire Clinical Commissioning Group's constitution, and is a formal committee of the Governing Body. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the committee.

These terms of reference are accessible to the public on the NHS North Lincolnshire Clinical Commissioning Group website.

#### 2. MEMBERSHIP

The committee shall be appointed by the NHS North Lincolnshire Clinical Commissioning Group from amongst its governing body members. The membership of the committee shall comprise of the following;

- 2 Lay Governing Body members
- 2 GP Governing Body members.

The Lay and GP Governing Body members will have voting rights.

Other individuals such as the CCG Chair, Chief Officer, Chief Finance Officer and external advisers such as Human Resources representatives may be invited to attend for all or part of any meeting as and when appropriate. The role of other individuals who attend and external advisors will be to draw the committee's attention to best practice, national guidance and other relevant documents as appropriate. Full time employees or individuals who claim a significant proportion of their income from the NHS North Lincolnshire Clinical Commissioning Group are not permitted to be voting members of the committee.

No individual should be in attendance for discussion about their own remuneration and terms of service. All individuals attending a meeting must declare any potential conflicts of interest.

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### **3. CHAIR AND VICE CHAIR**

One lay member must be appointed as the committee Chair and the other lay member as Vice Chair.

### **4. QUORACY**

The quorum shall be one lay member and one GP member.

### **5. SECRETARY**

A Secretary will be identified from within/by the Clinical Commissioning Group. The Secretary will be responsible for supporting the chair in the management of remuneration business. This will include arranging, formally minuting and archiving of all reports and documentation associated with the business of the committee.

### **6. FREQUENCY AND NOTICE OF MEETINGS**

Meetings shall be held as and when required upon a receipt of a request to the Chair or Vice Chair. The committee will meet a minimum of twice per financial year. Seven calendar days notice will be provided of the meeting and any documents to be considered/discussed at the meeting will be circulated to the committee at least two calendar days prior to the meeting.

### **7. REMIT AND RESPONSIBILITIES OF THE COMMITTEE**

The committee shall make recommendations to the governing body on:

- Determinations about pay and remuneration for employees of the NHS North Lincolnshire Clinical Commissioning Group. This will include development pay and the use of recruitment and retention premiums.
- Determinations about annual salary awards [where applicable].
- Determinations about pay and remunerations for people who provide services to the NHS North Lincolnshire Clinical Commissioning Group.
- The severance payments of NHS North Lincolnshire Clinical Commissioning Group employees and contractors, seeking HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money'.
- The ratification of all new and amended HR policies.
- The receipt and review of new policies and instructions relating to remuneration.

In making decisions the committee must ensure adherence with equal pay requirements.

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## **8. RELATIONSHIP WITH THE GOVERNING BODY**

The minutes of the committee meetings will be submitted by the committee Chair to the NHS North Lincolnshire Clinical Commissioning Group Chair within 7 calendar days of the meeting.

Every six months a schedule of all new and amended HR policies approved by Remuneration Committee will be submitted to the Governing Body.

## **9. POLICY AND BEST PRACTICE**

The committee has full authority to commission any reports or surveys it deems necessary to help it fulfill its obligations. On occasion the committee may also seek independent advice about remuneration for individuals. When making decisions the committee will consider best practice and comply with relevant disclosure requirements for remuneration.

## **10. CONDUCT OF THE COMMITTEE**

The members of the committee must ensure that at all times they:

- 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.
- Always strive to maximize value for money through ensuring that services are delivered in the most efficient and economical way, within available resources and with independent validation of performance achieved wherever practicable.
- Are accountable to Parliament, to users of services, to individual citizens, and to staff for the activities of the bodies concerned, for their stewardship of public funds and the extent to which key performance targets and objectives have been met.
- Comply fully with the principles of the Citizen's Charter and the Code of Practice on Access to Government Information, in accordance with Government Policy on openness.
- Comply with the Nolan's seven principles of public life.
- Bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate documents.

## **11. TERMS OF REFERENCE**

These Terms of Reference, and any subsequent amendments, shall be agreed by the NHS North Lincolnshire Clinical Commissioning Group. These Terms of Reference will be reviewed on an annual basis or earlier if necessary to comply with changes in national guidance and legislation.

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