

# **NHS South West London Integrated Care Board Remuneration Committee Terms of Reference**

# Document Management

## Revision history

Version	Date	Summary of changes
0.1	07.06.22	Draft ToR presented to GoG
1.0	01.07.22	ICB Board approval
1.1	27/03/24	Review of ToR
1.2	15/05/24	Incorporating comments from Chair, CEO and Deputy CEO

## Reviewers

This document must be reviewed by the following:

Reviewer	Title / responsibility	Date	Version
RemCom	To review existing TOR and make recommendations for amendment to the Trust Board.	4 July 2024	Draft
ICB Board	To agree Terms of Reference.	17 July 2024	Final draft

## Approved by

This document must be approved by the following people:

Name	Signature	Title	Date	Version
ICB Board		ICB Board	01.07.22	1.0
ICB Board		ICB Board	17.07.24	2.0

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## **1. Constitution**

- 1.1 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, Standing Financial Instructions, Standing Orders and Scheme of Reservation and Delegation (SoRD).
- 1.2 These Terms of Reference (ToR) set out the membership, remit, responsibilities, and reporting arrangements of the Committee and may only be changed with the approval of the Board. They will be published as part of the Governance Handbook on the ICB's website.
- 1.3 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**

- 2.1 The Committee is authorised by the Board to:
  - Investigate any activity within its ToR;
  - 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) within its remit 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, if required, 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 SoRD but may not delegate any decisions to such groups.
- 2.2 For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the SoRD will prevail over these ToR.
- 2.3 The Committee does not have authority to set the Chair remuneration or terms of appointment. These will be determined by NHS England.

## **3. Purpose**

- 3.1 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 very senior managers/directors (including board members) and Non-Executive

Members<sup>1</sup> excluding the Chair.

The Board has also delegated the following functions to the Committee:

- Ensuring the ICB follows national pay and terms and condition frameworks to set the pay policy for ICB employees.
  - Setting remuneration, allowances, performance related pay incentives and terms and conditions for the Chief Executive and Very Senior Managers (VSMs) in line with national guidance.
  - Setting remuneration, allowances and terms and conditions for Integrated Care Board members, where required.
  - Agreeing any discretionary payments or terms and conditions for staff employed by the ICB.
  - Approving any termination or redundancy payments.
  - Approving TUPE or other staff transfers into or out of the ICB.
  - Setting the ICB pay policy and standard terms and conditions of employment for all individuals appointed by the ICB as clinical leads, workers, office holders (this may include pensions, remuneration, fees, travelling or other allowances payable), and any pay awards for these individuals.
- 3.2 As outlined in section 2, the Committee may choose to delegate some of these functions to Task and Finish or Working Groups.

## **4. Responsibilities of the Committee**

Specific responsibilities of the Committee include:

**For the Chief Executive, Directors and other Very Senior Managers:**

- 4.1 Determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, and other additional benefits.
- 4.2 To consider and approve proposals to establish any new management posts at Very Senior Manager.
- 4.3 To oversee and advise the Board on arrangements for redundancy, termination payments, the use of Pay in Lieu of Notice proposals or any special payments following scrutiny of their proper calculation and taking account of such national guidance as appropriate.

**For ICB Board Members:**

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<sup>1</sup> When determining SWL non-executive Board member remuneration the ICB Chair, Chief Executive and either a NHSE or SWL System representative will meet. Non Executive Members will not be involved in discussion about their own pay.

- 4.4 Determine remuneration, allowances and terms and conditions for Integrated Care Board members.

**For all staff:**

- 4.5 Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change).
- 4.6 Determine the arrangements for redundancy, termination payments, the use of Pay in Lieu of Notice proposals or any special payments following scrutiny of their proper calculation and taking account of such national guidance as appropriate.
- 4.7 Agree any discretionary payments or terms and conditions for staff employed by the ICB.

**Additional functions included in the scope of the committee include:**

- 4.8 Setting the ICB pay policy and standard terms and conditions of employment for all individuals appointed by the ICB as clinical leads, workers, office holders (this will include pensions, remuneration, fees, travelling or other allowances payable), and any pay awards for these individuals.
- 4.9 Assurance in relation to ICB statutory duties relating to people such as compliance with employment legislation including such as Fit and Proper Person Test (FPPT).
- 4.10 Approving TUPE or other staff transfers into or out of the ICB.

## **5. Membership and attendance**

### **Membership**

- 5.1 The Committee members shall be appointed by the Board in accordance with the ICB Constitution.
- 5.2 The Board will appoint no fewer than three members of the Committee including two independent Non-Executive Members of the Board. Other members of the Committee need not be members of the board, but they may be.
- 5.3 The Chair of the Audit and Risk Committee may not be a member of the Committee.
- 5.4 Members are required to attend a minimum of 75% of meetings, other than absence due to sickness.
- 5.5 Members will possess between them knowledge, skills and experience in the issues pertinent to the Committee's business. When determining the membership of the Committee, active consideration will be made to equality and diversity.

### **Chair and vice chair**

- 5.6 The Committee will be chaired by an independent member of the Board which could either be the Chair or a Non-Executive Member, appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.
- 5.7 The Chair of the committee may appoint a Vice Chair from amongst the members either on a permanent or adhoc basis.
- 5.8 The Vice Chair can be nominated by the Chair of the Committee. If the Committee Chair is absent or is disqualified from participating by a conflict of interest, the Vice Chair, if present, shall preside. If the Chair or Vice Chair are absent from any meeting, a Chair shall be nominated by other members attending that meeting.
- 5.9 The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

### Attendees

- 5.10 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.
- 5.11 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:
- The ICB's most senior HR Advisor or their nominated deputy;
  - Chief Finance Officer or their nominated deputy;
  - Chief Executive or their nominated deputy;
  - Executive Director with responsibility for workforce.
- 5.12 The Board may appoint independent members or advisers to the Remuneration and Nominations Committee who are not members of the Board.
- 5.13 The Committee 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.
- 5.14 No individual should be present during any discussion relating to:
- a. Any aspect of their own pay;
  - b. Any aspect of the pay of others when it has an impact on them.

## 6. Meeting Frequency, Quoracy and Decisions

- 6.1 The Committee will meet in private.
- 6.2 The Committee will meet at least once each year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

- 6.3 The Board, Chair or Chief Executive may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 6.4 The Committee may choose to meet physically, at its discretion. However, by default, the Committees will be held virtually. Meetings, unless previously agreed by the Chair, will be held virtually via MS Teams or suitable alternative platform.

#### Quorum

- 6.5 For a meeting to be quorate a minimum of two of the Non-Executive Members is required, including the Chair or Vice Chair (if relevant).
- 6.6 When considering Non-Executive Member remuneration, for a meeting to be quorate a minimum of the ICB Chair, Chief Executive and the ICB's most senior HR Advisor or their nominated deputy are required for the purpose of these discussions. Non-Executive Members will not be present for these discussions.
- 6.7 If any member of the Committee has been disqualified from participating on item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.
- 6.8 If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

#### Decision making and voting

- 6.9 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.
- 6.10 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.
- 6.11 Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.
- 6.12 Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.
- 6.13 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.

## 7. Accountability and reporting

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



- 7.2 The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board (in the private session) in accordance with the Standing Orders.
- 7.3 The 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 (in the private session) of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

## **8. Conflicts of Interest**

- 8.1 Conflicts of Interest shall be dealt with in accordance with the ICB Conflicts of Interest Policy.
- 8.2 The Committee will have a Conflicts of Interest Register that will be presented as a standing item on the agenda.
- 8.3 All members and attendees of the Committee must declare any relevant personal, non-personal, pecuniary or potential interests at the commencement of any meeting. The Committee Chair will determine if there is a conflict of interest such that the member and/or attendee will be required not to participate in a discussion.

## **9. Behaviours and Conduct**

### **Benchmarking and guidance**

- 9.1 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.

### **ICB values**

- 9.2 Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.
- 9.3 Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

### **Equality and diversity**

- 9.4 Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

## **10. Secretariat and Administration**

- 10.1 The Committee shall be supported with a secretariat function which will include ensuring 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;

- Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements;
- Records of members' appointments and renewal dates 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 between meetings, and progress against those actions is monitored;
- The Chair is supported to prepare and deliver reports to the Board; and
- The Committee is updated on pertinent issues / areas of interest / policy developments.

## **11. Review**

11.1 The Committee will review its effectiveness at least annually and recommend any changes it considers necessary to the Board.

11.2 These ToR will be reviewed at least annually and more frequently if required. Any proposed amendments to the ToR will be submitted to the Board for approval.

**Date of approval:** tbc

**Date of next review:** March 2025