

Remuneration Committee Terms of Reference

1. Introduction

- 1.1 The Remuneration Committee (the committee) is established in accordance with the NHS South Tees 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 and Standing Orders.

2. Membership

- 2.1 The Committee shall be appointed by the CCG from amongst its Governing Body members. Only members of the Governing Body may be members of the Remuneration Committee.
- 2.2 The Chair of the Committee will be a Lay Member of the Governing Body who is not the Audit Chair.
- 2.3 In addition to the Committee Chair, the membership will consist of a further Lay Member, the Chair of the Governing Body and a non-GP member of the Governing Body (eg. Secondary Care Doctor).
- 2.4 Other nominated officers may be invited to attend, such as the Accountable Officer, HR lead or external advisers, for all or part of any meeting as and when appropriate.

3. Secretary

- 3.1 The Head of Governance shall be Secretary to the Committee and shall attend to take Minutes of the meeting and for drawing the Committee's attention to best practice, national guidance and other relevant documents as appropriate.

4. Quorum

- 4.1 To ensure transparency and independence in decision making, quorum must consist of one lay member and the non-GP Governing Body member.
- 4.2 In the rare event that conflicts of interest emerge which prevent both Lay Members from participating in a discussion and/or agreeing recommendations for the Governing Body, eg. on matters relating to the remuneration of Lay Members, as an exception decision making shall proceed at the discretion of the Governing Body Chair.

- 4.3 When the Lay Chair is unable to Chair the meeting, the non-GP Governing Body member will Chair the Committee.

5. Frequency and notice of meetings

- 5.1 The Committee must consider the frequency and timing of meetings needed to allow it to discharge all of its responsibilities. It is suggested that meetings are called as and when required.
- 5.2 The Chair can request a meeting at any time. Remuneration Committee members can also request a meeting at any time.

6. Remit and responsibilities of the Committee

- 6.1 The Committee shall make recommendations to the Governing Body on determinations about pay and remuneration 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.
- 6.2 In addition, the Committee will be responsible for:
- a. determining the remuneration and conditions of service for the senior team;
 - b. reviewing the performance of the Accountable Officer and other senior team members and determining annual salary awards, if appropriate.
 - c. considering 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'.

7. Relationship with Governing Body

- 7.1 The Minutes of the Remuneration Committee meetings shall be formally recorded by the Head of Governance (or nominated deputy). A verbal or written update from the meeting will be reported to the confidential section of the Governing Body meetings; minutes will not be submitted. 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.

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

8. Policy and best practice

- 8.1 The Committee will apply best practice in decision making processes and 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.

9. Conduct of the Committee

- 9.1 The Committee shall conduct its business in accordance with national guidance, relevant codes of practice including the Nolan Principles and the Standards of Business Conduct and Conflict of Interest Policy.
- 9.2 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 Policy.
- 9.3 An annual review of the Committee's performance, membership and terms of reference will be undertaken and submitted to the Governing Body, through a stand-alone report or through the CCG's Annual Report.

10. Managing Conflicts of Interest

- 10.1 The CCG will make arrangements to manage conflicts and potential conflicts of interest to ensure that decisions made will be taken and seen to be taken without any possibility of the influence of external or private interest.
- 10.2 Declarations of interest and declarations of any gifts & hospitality will be an agenda item at each meeting. All declarations of interest and gifts & hospitality and resulting actions will be recorded in the Minutes.
- 10.3 Everyone attending a meeting will be required to declare any interest they have in any agenda item as soon as it becomes apparent. The Chair will determine whether the individual should withdraw from the meeting, the discussion and/or voting.
- 10.4 Similarly, if another member of the Committee is aware of an interest that has not been declared by the conflicted individual, then this should be raised with the Committee Chair and appropriate action taken.
- 10.5 Conflicts of interest should be declared and managed in accordance with the CCG's Standards of Business Conduct and Conflicts of Interest Policy. The definition of conflicts of interest is as defined by current statutory guidance.
- 10.6 If in doubt, the individual concerned should assume that a potential conflict of interest exists and consult the CCG's Standards of Business Conduct and Managing Conflicts of Interest Policy and discuss with the Head of Governance and/or the CCG's Conflicts of Interest Guardian (Audit Committee Chair).

Agreed 12 November 2012
Reviewed November 2013
Approved January 2014
Ratified March 2014
Reviewed as part of External Governance Review
Scheduled for review: March 2015
Reviewed February 2016
Reviewed June 2017
Governing Body review – July 2017
NEXT REVIEW – July 2018