

TERMS OF REFERENCE

Committee:	Remuneration and Workforce Committee
Frequency Of Meetings:	Monthly, but not less than six times per year.
Committee Chair:	Lay Member (Governance)
Membership:	Lay Member (Governance) – Committee Chair Lay Member (PPI) Lay Member (Corporate)
Attendance:	Accountable Officer Human Resources Representative (CSU) Chief Finance Officer Head of Corporate Governance (Company Secretary) Others to attend by invitation of the Committee Chair (where clinical issues are discussed, a clinical member of the CCG Board will be invited to attend. The Chair will ensure that the invitee has no conflict of interest in the matters to be discussed)
Lead Officer/Secretary:	Head of Business Support
Quorum:	Two Committee Members (one of whom must be the committee Chair or nominated deputy)

Approval:	CCG Board
Date Approved:	22 nd August 2018
Version	V5.0
Review Date:	April 2019

DELEGATED AUTHORITY

The Board (CCG Governing Body) has established a Committee of the Board to be known as the Remuneration Committee (the Committee), in accordance with the CCG Constitution, Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation. The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these terms of reference. The Committee is accountable to the CCG Board. For this purpose the Board will exclude Executive Directors when considering matters affecting them and, additionally the Accountable Officer, when decisions relate to that position.

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 constitution.

The Committee terms of reference are available upon request and shall be contained on the website of the CCG.

The Committee has delegated authority to establish and review local terms and conditions applicable to Directors. This is in accordance with NHS Terms and Conditions of Services and the guidance on pay for very senior managers.

The Committee must also operate in accordance with the Codes of Conduct and Accountability EL(94)40, in particular Section B on the functions and composition of Remuneration Committees, and the Code of Conduct and Code of Accountability in the NHS July 2004 or subsequent relevant directions in force at the time. Consideration should also be given to the principles of the UK Corporate Governance Code and Agenda for Change guidance.

The Committee will operate taking account of advice and guidance from NHS England.

It is acknowledged that the Board is ultimately accountable for the actions of the Remuneration Committee and therefore the Committee will:

- I. report on its work by presenting the minutes of its meetings to the (confidential, where appropriate) meetings of the Board.
- II. report to the Board on an annual basis, the work undertaken in the previous year and the intended programme of work for the forthcoming year.
- III. review the Terms of Reference annually and submit for Board approval.

PURPOSE OF COMMITTEE

The Remuneration and Workforce Committee shall have delegated authority from the CCG Board to consider and approve CCG structures (in line with agreed budgets), determine the broad remuneration policy and performance management framework, to monitor and evaluate performance and to set individual remuneration arrangements for all CCG staff. The Committee is also responsible for oversight of the controls, processes and procedures in place to manage the CCG workforce for example: approving HR/workforce related policies, equality, organisational development, appraisals and development, training and the performance of the CSU providing HR services to the CCG. The Remuneration Committee

shall make recommendations to the CCG Board on the appointment and dismissal of senior managers and on termination payments to Senior Managers with regard to current legislation governing such actions and in accordance with the requirements of NHS England.

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Board to obtain outside legal, remuneration, workforce or other independent professional advice and to secure the attendance of individuals and authorities from outside the CCG with relevant experience and expertise if it considers this necessary.

DEVOLVED FUNCTIONS

The CCG Constitution describes the CCG functions and duties delegated to the Board. The Board delegates to the Remuneration Committee those functions relating to areas outlined in the remit and responsibilities of the committee stated below.

REMIT & RESPONSIBILITIES

The duties / remit and responsibilities of the Committee, acting under delegated authority of the CCG Board are:

- A. To make recommendations to the Board on determinations about pay and remuneration for employees of the clinical commissioning group and people who provide services to the clinical commissioning group and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme. Specific duties are also defined as follows:
- To agree the broad remuneration policy and performance management framework for the CCG's senior managers, as defined in the 'purpose' section of these terms of reference.
 - To make decisions on the funded establishment of the CCG and the remuneration and other benefits of the CCG Corporate Team (i.e. Senior Managers), Board members and other advisers or leads that the CCG may appoint on a sessional basis. To ensure senior staff and Board members are fairly rewarded for their individual contribution to the CCG having proper regard to local circumstances and performance and to the provisions of any national arrangements for such staff where appropriate.
 - To make recommendations to the CCG Board on the appointment and dismissal of senior managers and on termination payments to senior managers.
 - To determine any annual inflationary pay awards for CCG Senior Manager, or other staff on local contracts of employment, being mindful of any specific directions from the Secretary of State.

- To review any arrangements that fall outside of national terms and conditions.
 - To approve the service contracts of the CCG's senior managers, including starting salaries and termination arrangements.
 - To review the performance of the CCG's senior managers / officers (including the Accountable Officer) against objectives for the previous year, note forward objectives and agree individual remuneration arrangements for these post holders.
 - In determining remuneration policy and packages, to have due regard to the policies and recommendations of the Department of Health and NHS England, and all relevant codes, laws and regulations.
 - To keep abreast of executive level remuneration policy and practice and market developments elsewhere in the NHS and in other relevant organisations, drawing on external advice as required.
 - To receive regular reports on Compromise Agreements, Settlements and Redundancies approved in accordance with CCG policies.
 - To agree proposals for severance payments to staff which fall outside the provisions of the contract of employment (including the Accountable Officer) before submission to NHS England for approval. This will be in accordance with the guidance 'Managing Public Money' (available on the HM Treasury.gov.uk website).
- B. To have oversight of and scrutinise the controls, processes and procedures in place to manage the CCG Workforce, as follows:
- To review, approve and recommend to the Board for adoption, HR related policies.
 - To seek assurance from the CCG that there are adequate processes in place to comply with legislation and guidance in relation to the duty of equality (having due consideration of the role of the Quality & Patient Safety Committee where quality and equality impact assessments performed by the quality team are monitored and reported).
 - To approve the CCG Organisational Development Strategy and receive updates on progress with implementing the strategy.
 - To receive periodic reports providing assurance that appraisals have been undertaken in accordance with good practice for all staff and Board Members and that all staff and Board Members have completed mandatory training.
 - To receive assurance from the CCG that staff are sufficiently qualified / experienced (recruitment processes) and that relevant staff comply with the requirements of their professional body (such as nurse revalidation).

- To receive and consider workforce reports and seek assurance from the CCG that actions are being taken to address any issues identified (i.e. absence / sickness / vacancies).
- To have oversight of the contract management of the HR service ensuring that the service provided is adequate for the needs of the CCG and that assurance is provided annually that HR files are up to date (annual audit).
- To undertake any other duties as directed by the CCG Board.

MANAGING THE COMMITTEE

Members of the Committee are expected to comply with the same standards of conduct expected of all CCG and Governing Body members, as set out in the CCG Constitution and the national NHS Constitution.

This includes:

- Abiding by the CCG Conflict of Interest Policy, thereby declaring all interests honestly and fully and declaring any conflict of interests.
- Abiding by the CCG Standards of Business Conduct Policy and CCG Standing orders.
- Abiding by the Nolan Principles of public life when discharging duties. The seven principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- The TOR will be agreed by the Thurrock CCG Board and reviewed annually.
- The Committee will undertake an annual self-assessment effectiveness survey.

Membership

- The Committee shall be appointed by the CCG Board as set out in the constitution and may include individuals who are not on the governing body. The lay member on the CCG Board with a lead role in overseeing key elements of governance will be the chair of the Remuneration Committee.
- The Committee shall consist of no less than three lay members.

Attendance

- The Accountable Officer and Human Resources representative (CSU) shall normally be in attendance except when issues regarding their own remuneration are discussed.
- The Chief Finance Officer, Head of Corporate Governance (Company Secretary) and other executive directors or senior officers of the CCG may be required to attend upon request of the Committee.

- The nominated Secretary shall be Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chairman and committee members during and outside of committee meetings.
- The Human Resources specialist is to provide the Committee with information on any issues arising from the following:-
 - Job evaluation information
 - Trends in pay and conditions of service
 - Levels of remuneration offered by similar organisations
 - Information on the local labour market
 - Retention of key skills
 - Any other contractual issues including severance payment and legal advice as required
- The HR Specialist will support the Committee in the process of confirming individual and, if appropriate, objectives for the Senior Team.
- The HR Specialist will present the workforce report.
- The Committee Chair may invite other CCG officers and external advisers as he/she considers necessary for the Committee to make properly informed decisions.

Committee Chair

The Committee Chair (or nominated deputy) must be present in order for the Committee to be quorate. In the event of the chair of the committee being unable to attend all or part of the meeting, he or she will nominate a replacement from within the membership to deputise for that meeting.

Where it is necessary for decisions to be taken between meetings of the Remuneration Committee, these decisions shall be taken by the Chair of the Committee (where appropriate in consultation with other members or advisors), ratified and minuted at the next meeting of the Committee to ensure an effective audit trail.

Secretary

The nominated officer who shall act as secretary is stated at the outset of this Terms of Reference. The secretary will be responsible for supporting the chair in management of committee business and for drawing the committee's attention to best practice, national guidance and other relevant documents as appropriate

Qualification and Disqualification for membership and appointment of the chair

The CCG Constitution sets out the processes for qualification and disqualification of members. The appointment of members to this committee shall be via Board approval of the terms of reference of this committee, which sets out its membership.

Frequency and notice of meetings

Meetings shall be held monthly, but not less than six times a year.

Items of business to be transacted for inclusion on the agenda of a meeting need to be notified to the chair or committee secretary at least 10 working days (i.e. excluding weekends and bank holidays) before the meeting takes place. Supporting papers for such items need to be submitted at least 5 working days before the meeting takes place.

The date, time and venue of all committee meetings will be notified to members at least 5 working days' notice.

Minutes and Committee Papers

All Committee papers must be accompanied by the standard cover sheet providing an executive summary of the salient points of the paper being presented.

The minutes of meetings shall record the proceedings and resolutions of all committee meetings, including the names of those present and in attendance and be formally recorded within 5 working days of the meeting by the designated secretary and checked by the Chair of the meeting 1 week following receipt and submitted to the Board. Circularisation of minutes will be subject to some exclusions for any matters directly affecting Executive Directors which will be reported at the Part II meeting. The Chair of the Committee shall draw to the attention of the board any issues that require disclosure to the full Board, or require executive action.

Decision Making / Policy and Best Practice

In making decisions 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;
- on occasion seek independent advice about remuneration for individuals; and
- ensure that decisions are based on clear and transparent criteria.

This will ensure that all decisions are informed by relevant and reliable data that provides sufficient information upon which a decision can be made and in accordance with CCG procedures (for example those set out with Standing Financial Instructions).

RELATED COMMITTEES

Other working groups / committees that provide assurance to the committee are:

- Audit Committee
- Quality & Patient Safety Committee

REPORTING & REVIEW

Reporting to the CCG Board

The Remuneration Committee is required to report directly to the Board on all decisions and actions within its remit.

Full minutes of the Remuneration Committee will be sent in confidence to all members and will be received by the Board in a part 2 (confidential) meeting due to the nature of business transacted by this Committee. Wherever possible within the confines of confidentiality for individuals, decisions made by the Committee will be reported in the public section of Board meetings.

The Committee will report to the Board annually on its work having due regard for the sensitive nature of some of the Committee's discussions. If necessary and deemed appropriate the Chair of the committee will provide a verbal rather than written report to the full or private session of the Board.

The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board or require Board approval or ratification.

Annual Review of Effectiveness

The committee will conduct an annual self-assessment of its effectiveness and report the findings of the assessment to the Board.

The CCG's Annual Report, which is approved by the Board, shall include a statement of the CCGs broad remuneration policy.

WORK PLAN

The Committee will develop a work plan based on the remit and responsibilities of the Committee that prioritises and monitors the delivery of objectives. This work plan will be monitored regularly and formally reviewed on an annual basis.

CONFLICTS OF INTEREST

The CCG's rules on conflicts of interest as set out in the CCG Constitution, Standing Orders and Standing Financial Instructions and apply to the work of this Committee. Members or those in attendance must, at the outset of the meeting, declare any interest that they may have in a matter and withdraw from the discussion on that item.