

ICB Remuneration & Terms of Service Committee Terms of Reference: TOR

(1) Introduction

- 1.1 The Integrated Care Board (the Board or ICB) must ensure it can effectively discharge its full range of statutory functions and duties. This includes establishing committees of the ICB, to support the Board and exercise any delegated functions, to help effective discharging of their range of functions.
- 1.2 All TORs for ICB committees must be published on the website, within the Governance Handbook.

(2) Constitution and Authority (inc. Reference to Legislation or Guidance)

- 2.1 The Remuneration and Terms of Service Committee (the Committee) is established by the ICB as a Committee of the Board in accordance with its Constitution. These TOR set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with approval of the Board.
- 2.2 The Committee is a Non-Executive Committee of the Board and its members, including those who are not members of the Board or ICB staff, are bound by the ICB's Constitution Standing Orders (the Standing Orders) and other key policies of the ICB. The Committee has no executive powers, other than those delegated in the Scheme of Reservation & Delegation (SoRD) and specified in these TOR. The Committee is authorised by the Board to:
 - Investigate any activity within its TOR, including oversight of assigned Risk Management and Board Assurance Framework (BAF) activities within its lead responsibility area
 - 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
 - Commission any reports it deems necessary to help fulfil its obligations
 - Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if considered 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 & Finish' sub-groups to take forward specific programmes of work as considered necessary by members – the Committee shall determine the membership and TOR of any such sub-group in accordance with ICB's Constitution, Standing Orders and SoRD, but may not delegate any decisions to such groups
 - For the avoidance of doubt, the Committee will comply with the Standing Orders, Standing Financial Instructions and SoRD, other than for any exceptions agreed by the Board

(3) Purpose and Core Duties

- 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 Senior Managers / Directors (including ICB Board members) and Independent Non-Executive Directors
- 3.2 The Board has also delegated the following functions to the Committee. This might include functions such as:
- Elements of the nominations and appointments process for Board members;
 - Oversight of executive board member performance.

(4) Membership and Attendance

(a) The Membership

- 4.1 Committee members shall be appointed by the Board in accordance with the ICB Constitution. The five ICB Independent Non-Executive Directors will be members of the Committee.
- 4.2 In line with sections 5 and 7, as unique to this committee, other Members as listed below may consist of or include persons other than Members or employees of the ICB. In order to best meet the next clause, these should ideally be of a suitable calibre to conduct core business.
- 4.3 When determining the membership of the Committee, active consideration will be made to diversity and equality issues.

(b) Chair and Vice Chair

- 4.4 The Chair of the Remuneration Committee will be the Non-Executive Director holding the portfolio. The Vice Chair will be the chair of People, Culture and Organisational Development Committee.
- 4.5 In accordance with the Constitution, the Committee will be chaired by an independent non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee. Committee members may appoint a Vice Chair from amongst the members.
- 4.6 In the absence of the Chair, or Vice Chair, the remaining members present shall elect one of their number to chair the meeting.
- 4.7 The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these TOR.

(c) Attendees

- 4.8 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.

4.9 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 (Chief People Officer) or their nominated deputy
- ICB Chief Finance Officer or their nominated deputy
- Chief Executive Officer or their nominated deputy
- The ICB Director of Corporate Governance or their nominated deputy

4.10 The Chair (Vice 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.

4.11 No individual should be present during any discussion relating to:

- Any aspect of their own pay
- Any aspect of the pay of others when it has an impact on them

(5) Frequency, Quoracy and Decisions

5.1 This Committee will meet in private, at least twice a year; with arrangements and notice for calling meetings reflecting those as set out in ICB Standing Orders for Board meetings. Additional meetings may take place as required.

5.2 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.

5.3 In accordance with ICB Standing Orders, the Committee may meet virtually when necessary; and members attending using electronic means will be counted towards the quorum.

(a) Quorum

5.4 For a meeting to be quorate a minimum of two of the non-executive members is required, including the Chair or Vice Chair.

5.5 If any Member has been disqualified from participating in an item on the agenda, by declaration of a Conflict of Interest, then that individual shall no longer count towards the quorum. If a quorum has not been reached, then the meeting may still proceed if those present agree.

5.6 To facilitate establishing the Committee, national policy proposes that the meeting can be quorate without Non-Executive members when their remuneration is being discussed.

(b) Decision Making and Voting

5.7 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.

5.8 Decisions will be taken in accordance with the ICB Standing Orders. The Committee will ordinarily reach its conclusions by consensus. When this is not possible the Chair may call a vote.

- 5.9 Only Members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter. Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.
- 5.10 Mirroring provisions set out within the Standing Orders, if an urgent or emergency decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct such business on a 'virtual' basis through the use of telephone, email or other electronic communication.

(6) Responsibilities of the Committee

- 6.1 The Committee's detailed duties and core responsibilities are itemised within Appendix One.
- 6.2 Matters delegated to the Committee by the Board (and as also defined by / covered within the SoRD) are also itemised within Appendix One.

(7) Conflicts of Interest

- 7.1 The Committee and all Members or Attendees present shall fully and continuously satisfy itself that all matters of ICB policy, systems and processes for the management of conflicts (including gifts & hospitality and bribery) are upheld in all meetings.
- 7.2 For the avoidance of doubt, any additional national or statutory policy requirements shall also guide the Committee's processes and procedures. This shall include sending any reports relating to non-compliance with ICB policy and procedures to the ICB Audit Committee.
- 7.3 Non-Executive members remuneration cannot be determined by the Committee where this committee's membership is entirely Non-Executive Board members. ICBs could consider two options:
- Establishing a separate remuneration panel for Non-Executive remuneration; or
 - Adding further members to the committee such that the conflicted individuals could recuse themselves appropriately

(8) Etiquette, Behaviours and Conduct

(a) *Benchmarking and Guidance*

- 8.1 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 & Social Care, NHS England and the wider NHS in reaching their determinations.

(b) *ICB Values*

- 8.2 Members and Attendees will be expected to conduct business in line with the ICB's stated values and objectives.
- 8.3 Members and those attending shall always behave in accordance with the ICB's Constitution, Standing Orders and Standards of Business Conduct Policy. Members will be ethical, transparent and act in line with the Nolan Principles.

(c) Equality, Diversity and Inclusion

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

(d) Integrated Care System Compact and ICB Meetings Charter

- 8.5 In addition to the above, all Members and Attendees will be expected to adhere to the separate ICS Partnership Leadership Compact key principles of 'Trust', 'Courage', 'Openness & Honesty', 'Leading by Example', 'Respect', 'Kindness & Compassion', 'System First' and 'Looking Forward'.
- 8.6 Similarly, all will be required to respect and apply the ICB Meetings Charter, which shall codify all of the above and help with the logistics / practicalities of running an ICB meeting in line with the ICB's Constitution and Standing Orders.

(9) Accountability and Reporting

- 9.1 The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities. The minutes of the meetings shall be formally recorded by the secretariat and a summary of these submitted to the Board in accordance with the Standing Orders.
- 9.2 The Committee will submit a summary report to the Confidential Board following each of its meetings. Where reports identify individuals, they will not be made public and will be presented at part B of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.
- 9.3 The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year

(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 ICB 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
 - Maintenance and reporting of the committee Conflicts of Interest Register (with the ICB Governance Lead)
 - Good quality minutes are taken and distributed in accordance with ICB Standing Orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept
 - The Chair is supported to prepare and deliver reports to the Board

- The Committee is updated on pertinent issues / areas of interest / policy developments
- Actions are taken forward between meetings and progress against those actions is monitored

(11) Review

11.1 The Committee will review its effectiveness at least annually. These TOR will be reviewed at least annually and more frequently if required. Any proposed amendments will be submitted to the Board for approval (and will not be deemed as operational until that agreement has been confirmed).

Appendix One

(a) Committee Responsibilities and Duties

- For the Chief Executive, Directors and other Very Senior Managers:
 - ✓ Determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, pensions and cars;
 - ✓ Determine arrangements for termination of employment and other contractual terms and non-contractual terms.
- For all Staff:
 - ✓ Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change);
 - ✓ Oversee contractual arrangements;
 - ✓ Determine the arrangements for termination payments and any special payments following scrutiny of their proper calculation and taking account of such national guidance as appropriate.
- Possible additional functions that ICBs might choose to include in the scope of the committee include:
 - ✓ Functions in relation to nomination and appointment of (some or all) Board members;
 - ✓ Functions in relation to performance review / oversight for directors / senior managers;
 - ✓ Succession planning for the Board;
 - ✓ Assurance in relation to ICB statutory duties relating to people such as compliance with employment legislation including such as Fit and proper person regulation (FPPR);
 - ✓ The Committee will also link with other system partners' Remuneration Committees where there are joint roles or joint transformational responsibilities.

Date of Approval:

Date of Review: