NHS
North East London
Integrated Care Board

Remuneration Committee of North East London ICB

TERMS OF REFERENCE

Status	1. The Remuneration Committee ("the Committee") is established by the Integrated Care Board ("the ICB") as a Committee of the Board of the ICB ("the Board"). 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. Additionally, the membership of the Committee must be approved by the Chair of the Board. 3. The Committee and all of its members are bound by the ICB's Constitution, Standing Orders, Standing Financial Instructions, policies and procedures of the ICB.
Authority	4. The Committee is authorised by the Board to take all necessary actions to fulfil the remit described within these terms of reference, including obtaining professional (including legal) advice, commissioning reports and creating groups. The Committee will follow the processes described by the Board for commissioning any professional advice. The Committee may establish groups to assist the committee to undertake its functions but it cannot delegate decisions to such groups.
Purpose	5. The Committee will be responsible for approving the appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other Very Senior Managers, taking into account national agreements and appropriate benchmarking in reaching their determination. In addition, it will make arrangements for the remuneration of employees and members of the ICB's committees and sub-committees, with the exception of the Chair and Non-Executive Member - see paragraph 13. 6. The Committee will be responsible for overseeing the process for the recruitment and appraisal of ICB Executive Directors in line with the ICB Constitution and recruitment policy. 7. The Committee is responsible for Board succession planning. 8. The Committee is responsible for overseeing the ICB's commitment to the people priorities.

9. The Committee will receive assurance that the ICB meets its statutory duties in relation to the ICB workforce.

Responsibilities of the Committee

10. Determining the ICB's remuneration/pay policy and standard terms and conditions. The Committee shall confirm the ICB's remuneration/pay policy, including adoption of any pay frameworks *for all employees*, including senior managers/directors (including board members) and non-executive members.

11. Remuneration and terms of appointment for the Chair will be set by NHS England, and remuneration for non-executive members will be set by a separate committee constituted of the Chair, the Chief Executive and three Partner Members ('the Non-Executive Member Remuneration Committee').

12. The Committee's Remuneration duties are as follows:

    (a) For the Chief Executive (salary set by NHSE), Directors and other Very Senior Managers:

        (i) Determine all aspects of remuneration, including but not limited to salary (including any performance-related elements), bonuses, pensions and other benefits, e.g. cars), in line with national guidance and agreements

        (ii) Determine and approve arrangements for the termination of employment and other contractual terms and non-contractual terms;

        (iii) Consider the establishment and approval of and any changes to (e.g. extension to contracts) posts on Very Senior Manager pay.

    (b) For all employees:

        (i) Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change);

        (ii) Oversee contractual arrangements;

        (iii) Determine the arrangements and approval for termination payments and any special payments following scrutiny of their proper calculation and taking account of such national guidance, as appropriate;

        (iv) Approval of changes to organisational structures and changes to the establishment which may increase funding requirements or reductions in cost, which may result in redundancies;

        (v) Approval of any proposed redundancy, severance or settlement costs and payments, where necessary providing this in advance of any authorisation needed from NHS England and the Treasury.

13. Appointment, Appraisal and Board Succession Planning

(a) The following in relation to Executive Director Appointments will take place on the advice of and with the Chief Executive:

(i) The Committee will be responsible for overseeing the process for the recruitment of ICB Executive Directors in line with the ICB Constitution and recruitment policy, ensuring the ICB meets its statutory duties and compliance with employment legislation including Fit and Proper Person Framework. This will **not** include Non-Executive Member recruitment policy, this will be overseen by the Non-Executive Member Remuneration Committee.

(ii) The Committee will be responsible for oversight of the functions relating to effective leadership of the ICB, including reviewing the ICB's succession planning and talent management strategies, receiving the performance reviews for executive directors/senior managers and providing oversight of appropriate leadership development arrangements; ICB succession planning will also require prior discussion with the ICB Board.

(iii) The Committee shall ensure effective processes for inclusive talent management processes and use open and inclusive recruitment processes that ensure appointments are made on merit and against objective, non-discriminatory criteria.

14. Other Strategic Priorities

(i) The Committee will be responsible for seeking assurance in relation to the ICB's commitment to the people priorities.

(ii) The Committee will be responsible for seeking assurance in relation to ICB statutory duties in relation to people, such as compliance with the Equality Act 2010 and the commitment to be an anti-racist ICB. It also includes assuring that there are effective arrangements in place for Fit and Proper Person Regulation (FPPT) and Freedom to Speak Up (FTSU).

(iii) The Committee will receive reports on ICB workforce indicators, the nature and scope of these will be agreed by the committee each year as part of an annual committee work plan, for example:

- Sickness and other absence
- Turnover including unplanned
- Workforce race equality standard (WRES)
- Workforce disability equality standard (WDES)

	• Freedom to speak up (FTSU) • Exit interview themes • Staff survey results and action plan • Employment risks (iv) The Committee will be responsible for reviewing relevant ICB workforce risks and receiving internal audit reports relating to ICB workforce matters. (v) To receive regular reports on new and emerging risks and monitor the risks on the committee's risk register.
Chairing arrangements	15. The Committee will be chaired by a Non-Executive Member of the Board, appointed on account of their specific knowledge, skills and experiences making them suitable to chair the Committee. 16. The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference. 17. Committee members may appoint a Vice Chair from its members. If a Chair has a conflict of interest then the Vice Chair or, if necessary, another member of the Committee will be responsible for deciding the appropriate course of action.
Membership	18. The Committee members will be appointed by the Board in accordance with the ICB Constitution and the Chair of the ICB will approve the membership of the Committee. 19. The Board will appoint no fewer than 3 members to the Committee, who are not the Chair of the Audit and Risk Committee (who may not be a member of this committee); (a) Non-Executive Member for Workforce and Remuneration (Chair) (b) Non-Executive Member (Chair of the ICB) (c) Non-Executive Member 20. When determining the membership of the Committee, active consideration will be made to diversity and equality. 21. 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, or could reasonably be perceived to have, an impact on them.

Participants	22. 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. The ICB's most senior People and OD Advisor (the Chief People and Culture Officer) or their nominated deputy will attend meetings of the Committee in order to ensure the Committee has access to appropriate advice. 23. Meetings of the Committee may also be attended by the following individuals for all or part of a meeting as and when appropriate: (a) Non-Executive Member (b) Chief Executive or their nominated deputy. (c) Chief Finance Officer or their nominated deputy; 24. The Chair may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion on particular matters. 25. For the avoidance of doubt, paragraph 24 applies equally to participants as to members.
Meetings, Quoracy and Decisions	26. The Committee will operate in accordance with the ICB's governance framework, as set out in its Constitution and Handbook and wider ICB policies and procedures, except as otherwise provided below: *Scheduling meetings* 27. The Committee will meet at least three times per year and will meet in private. Additional meetings may be convened on an exceptional basis at the discretion of the Chair. 28. 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. *Quoracy* 29. For a meeting to be quorate 2 of the 3 members must be present. 30. If any member of the Committee has been disqualified from participating on an item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum. 31. If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken. *Voting* 32. 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. Only members of the Committee may vote. Each member is allowed one vote and a simple 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. The result of the vote will be recorded in the minutes.

Papers and notice

33. A minimum of seven clear working days' notice is required of the date and time of a meeting. Notice of all meetings will comprise venue, time and date of the meeting, together with an agenda of items to be discussed. Supporting papers must be distributed no less than five clear working days ahead of the meeting.

34. On occasion it may be necessary to arrange urgent meetings at shorter notice. In these circumstances the Chair will give as much notice as possible to members. Urgent papers will be permitted in exceptional circumstances at the discretion of the Chair.

Virtual attendance

35. It is for the Chair to decide whether or not the Committee will meet virtually by means of telephone, video or other electronic means. Where a meeting is not held virtually, the Chair may nevertheless agree that individual members may attend virtually. Participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. How a person has attended a meeting shall be specified in the meeting minutes.

Recordings of meetings and publication

36. Except with the permission of the Chair, no person admitted to a meeting of the Committee will be permitted to record the proceedings in any manner whatsoever, other than in writing;

Confidential information

37. Where confidential information is presented to the Committee, all those who are present will ensure that they treat that information appropriately in light of any confidentiality requirements and information governance principles.

Meeting minutes

38. The minutes of a meeting will be formally taken in the form of key points of debate, actions and decisions and a draft copy circulated to the members of the Committee together with the action log as soon as is practical after the meeting. The minutes will be submitted for agreement at the next meeting where they will be signed by the Chair.

39. Exception reports will be presented to the ICB Board by the Chair of the committee.

Governance support

	40. Governance support to the Committee will be provided by the ICB's governance team. *Conflicts of interest* 41. Conflicts of interest will be managed in accordance with the policies and procedures of the ICB and those contained in the Handbook and shall be consistent with the statutory duties contained in the National Health Service Act 2006 and any statutory guidance issued by NHS England.
Behaviours and Conduct	42. Members will be expected to behave and conduct business in accordance with: (a) The ICB's policies and procedures including its Constitution, Standing Orders and Standards of Business Conduct Policy which includes the Code of Conduct which sets out the expected behaviours that all members of the Board and its committees will uphold whilst undertaking ICB business. (b) The NHS Constitution; (c) The Nolan Principles; 43. Members must demonstrably consider equality diversity and inclusion implications of the decisions they make.
Accountability and Reporting	44. The Committee is accountable to the Board and will report to the Board on how it discharges its responsibilities. 45. Exception reports will be presented to the ICB Board by the Chair of the committee. Where reports identify individuals, they will not be made public and will be presented at a 'part 2' meeting of the Board. Public reports will be made, as appropriate, to satisfy any requirement in relation to disclosure of public sector executive pay. 46. 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.
Review	47. The Committee will review its effectiveness at least annually. The review will consider whether the Committee has: (a) Fulfilled its responsibilities set out in these Terms of Reference. (b) Provided effective scrutiny, challenge and assurance to the Board. (c) Received timely and appropriate information to support its work. (d) Maintained effective membership, attendance and participation. 48. The outcome of the review and any proposed improvements will be reported to the Board.

	49. 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.

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