

Remuneration and Nomination Committee

Terms of Reference

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Approved by:	Governing Body
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Responsible Senior Officer:	Chief Finance Officer/Deputy Chief Officer
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NHS Calderdale Clinical Commissioning Group

Remuneration and Nomination Committee

1. Introduction

- 1.1 The Remuneration and Nomination Committee is established in accordance with NHS Calderdale Clinical Commissioning Group's (CCG) Constitution, Standing Orders and Scheme of Reservation and Delegation.
- 1.2 The Remuneration and Nomination Committee is a Committee of the Governing Body of NHS Calderdale CCG.
- 1.3 The Remuneration Committee has three key functions:
 - a) The Remuneration and Nomination Committee shall advise the Governing Body on determinations about the appropriate remuneration, fees and allowances payable to employees of the CCG and to other persons providing services to it and on provisions for other benefits and allowances under any pension scheme established by the CCG. It shall also advise the Governing Body on any arrangements for termination of employment of the Chief Officer or the Chief Finance Officer/Deputy Chief Officer¹.
 - b) To review and approve Human Resources' Policies on behalf of the Governing Body in accordance with the CCG's scheme of reservation and delegation.
 - c) To ensure that the Governing Body and its committees have the appropriate balance of skills, experience, knowledge, perspectives and independence to enable them to discharge their respective duties and responsibilities effectively.
- 1.4 These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee.

2.0 Authority

- 2.1 When required, obtain legal or other professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary. In doing so the Committee must follow any procedure put in place by the Governing Body for obtaining legal or professional advice. The Governing Body is to be informed of any issues relating to such action.

¹ Health and Social Care Act 2012 (c.7), Part 1 – health service in England, 14L (3) and 14M (3)

3.0 Membership

3.1 The Committee shall be appointed by the Governing Body and consist of:

Members

- Lay Member of the Governing Body (Finance and Performance) (Chair of the Committee)
- Lay Member of the Governing Body (Patient and Public Involvement)(Deputy Chair of the Committee)
- One GP member of the Governing Body
- The Secondary Care Specialist

The nominated deputy for the Secondary Care Specialist is the Registered Nurse

3.2 The Governing Body Chair is a member of the committee for the Nomination elements of the Committee's business.

In attendance:

- 3.4 A Human Resources and OD specialist will be present at all meetings to act as the Human Resources and OD Advisor.
- 3.5 The Senior Corporate Governance Officer (or Governance Lead in their absence) will be present at all meetings to provide governance advice to the committee.
- 3.6 Other officers, including the Chief Officer, Chief Finance Officer/Deputy Chief Officer or external advisors, may be invited to attend for all or part of any meetings as and when appropriate. They shall not be in attendance for discussions about their own remuneration, fees and allowances and terms of service.
- 3.7 In the circumstances where the remuneration, fees and allowances for Lay Members or the Registered Nurse are being discussed, the GP member of the Governing Body and Secondary Care Specialist with advice from the Chief Finance Officer (CFO)/Deputy Chief Officer and Human Resources and OD Specialist will consider and make recommendations as appropriate.
- 3.8 This arrangement will need to be reviewed if the terms of engagement of the Secondary Care Specialist or the Registered Nurse change, in order to manage any conflicts of interest.
- 3.9 In the circumstances where the remuneration, fees and allowances for the GP members of the Governing Body are being discussed, the Lay Members and Secondary Care Specialist or Registered Nurse, with advice from the CFO/Deputy Chief Officer and Human Resources Specialist will consider and make recommendations as appropriate.

4.0 Arrangements for the Conduct of Business

4.1 Chairing the committee

The Lay Member (Finance and Performance) shall chair the committee and the Lay Member (Patient and Public Involvement) shall be Deputy Chair. In the event of the Chair or Deputy Chair of the Remuneration and Nomination Committee being unable to attend for all or part of the meeting, due to the need to manage conflicts of interests, the remaining members present will elect one of their number to chair the meeting/that part of the meeting.

4.2 Quoracy

4.2.1 Meetings will be considered quorate when at least three members are present, including either the Chair or Deputy Chair of the Committee.

4.2.2 Where one or more members of the committee are unable to attend for all or part of the meeting due to the need to manage conflicts of interest, the meeting will be considered quorate if those identified as in attendance at paragraph 3.4 -3.5 are present.

4.2.3 Members of the committee may participate in meetings by telephone or by the use of video conferencing facilities where they are available and with prior approval by the Chair of the meeting or if the Chair of the meeting is not present, by the Deputy Chair of the meeting. Participation in a meeting by any of these means shall be deemed to constitute presence in person at the meeting.

4.4 Voting

4.4.1 Should a vote need to be taken, only the core members of the committee shall be allowed to vote.

4.4.2 In circumstances where there is a tied vote, the item will be referred to the Governing Body for decision.

4.5 Frequency of meetings

The Remuneration and Nomination Committee shall meet as business dictates but at least twice per year.

4.6 Declaration of Interests

4.6.1 Any conflicts of interest (real or potential) shall be managed in line with the CCG's Policy and guidance on the management of conflicts of interest.

4.6.2 All declarations of interest shall be minuted.

4.6.3 Members of the committee shall not receive copies of papers and shall not be present for any discussion about their own remuneration, fees, allowances or terms of service.

4.7 The Chief Finance Officer/Deputy Chief Officer or any other manager acting in an advisory capacity shall not receive copies of papers and shall not be present for any discussion about their own remuneration, fees allowances or terms of service.

4.8 Any actions taken outside the meeting will be reported and minuted at the next available meeting of the committee.

4.9 **Administrative Support**

4.9.1 Administrative support for the Committee will be provided by a member of the Corporate Governance Team. The Chief Finance Officer/Deputy Chief Officer will provide appropriate support to the Chair and Committee members. Duties will include:

- Agreement of the agenda with the Chair.
- Circulation of agendas and supporting papers to committee members at least five working days prior to the meeting.
- Drafting of minutes for approval by the Chair within ten working days of the meeting.
- A summary of the minutes will be distributed to the committee within 20 working days and will be formally approved by the committee electronically.
- Keeping an accurate record of attendance.
- Keeping a record of matters arising and issues to be carried forward.
- Maintain an on-going list of actions, specifying members responsible, due dates and keeping track of these actions.
- Advising the committee on pertinent areas/issues.
- Enabling the development and training of members.

4.0 **Duties/responsibilities of the Committee - Remuneration**

4.1 The Remuneration and Nomination Committee shall advise the Governing Body on determinations about the appropriate remuneration, fees and allowances payable to employees of the CCG and to other persons providing services to it and on provisions for other benefits and allowances under any pension scheme established by the CCG.

4.2 Approve disciplinary arrangements for employees, including the Chief Officer (where he/she is an employee or member of the CCG) and for other persons working on behalf of the CCG.

4.3 Review the disciplinary arrangements where the Chief Officer is an employee or member of another CCG.

5.4 The Remuneration and Nomination Committee shall have oversight of the process for reviewing the performance of the Very Senior Managers (VSMs) and individual Governing Body members.

5.5 It shall also make recommendations to the Governing Body any arrangements for termination of employment of the Chief Officer or the Chief Finance Officer/Deputy Chief Officer.

5.6 In considering any recommendations to the Governing Body on severance payments of the Chief Officer or Chief Finance Officer/Deputy Chief Officer, the committee will seek HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money'.

5.7 In formulating these recommendations, the Committee shall:

- Apply best practice in the decision making processes, for example, when considering individual remuneration, the committee will:
 - Comply with current disclosure requirements for remuneration;
 - Ensure that the recommendations are based on clear and transparent criteria.
- Take into account the need to ensure that employees, members of the Governing Body and people who provide support to the CCG are fairly rewarded for their individual contribution whilst having proper regard to the CCG's circumstances and performance and to the requirements of fair and open procurement / recruitment policies and to the provisions of any national arrangements.
- Take into account reports that monitor and evaluate the performance of individuals.
- Take into account relevant employment and equality law.

5.8 Oversee and make recommendations on the proper calculation and scrutiny of termination payments for redundancy, assisted voluntary early retirement, or by mutual agreement, taking account of such national guidance as is appropriate.

5.9 Review and approve Human Resources' Policies on behalf of the Governing Body in accordance with the CCG's Scheme of Reservation and Delegation.

6.0 DUTIES/RESPONSIBILITIES OF THE COMMITTEE - Nomination

6.1 Governing Body and its committees – appropriate balance of skills and expertise

The Committee is responsible for ensuring that the Governing Body and its committees have the appropriate balance of skills, experience, knowledge, perspectives and independence to enable them to discharge their respective duties and responsibilities effectively.

The committee will fulfil this responsibility by:

- a) Regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Governing Body and making recommendations to the Governing Body on any changes;
- b) Regularly reviewing the membership of the Governing Body committees, in consultation with the committee chair and lead officer and make recommendations to the Governing Body on any changes;
- c) Overseeing the process of changeover of committee membership, in consultation with the committee chair and lead officer in order to ensure a planned changeover, induction process and effective operation of the committees;
- d) Review those results of the Governing Body and Committee annual review of effectiveness that relate to the composition of the Governing Body and Committees.
- e) Oversee the creation and delivery of Governing Body and committee action/development plans.

- f) Review the time needed by Governing Body members (excl. VSMS and the Chief Quality and Nursing Officer) to fulfil their duties, as required.

6.2 Appointment and re-appointment process for Governing Body members

The Committee shall:

- a) Maintain oversight of the terms of office of individual Governing Body members in respect of dates for renewal of tenure/re-election or retirement.
- b) Maintain an oversight of the re-appointment of Governing Body members prior to the conclusion of their specified term of office, giving due regard to the outcome of their annual performance review and ability to continue to contribute to the Governing Body in the light of knowledge, skills and experience required. This is with the exception of the Very Senior Managers (VSMS) and the Chief Quality and Nursing Officer.
- c) Oversee the production of job descriptions and the recruitment process for Governing Body members, including the election process for the GP members of the Governing Body.
- d) Before any appointment is made to the Governing Body, evaluate the balance of skills, knowledge, experience and diversity on the Governing Body, and in the light of this evaluation, review the description of the role and capabilities required.
- e) Lead the process for Governing Body appointments including VSMS and the Chief Quality and Nursing Officer; making recommendations to the Governing Body.

6.3 Succession planning

The Governing Body needs to give full consideration to succession planning for all its members including the Very Senior Managers and Chief Quality and Nursing Officer, taking into account the challenges and opportunities facing the CCG, and the skills and expertise needed on the Governing Body in the future.

The Remuneration and Nomination Committee will support this by:

- a) Overseeing the development of succession plans for:
- Governing Body members, including GP members from member practices, Secondary Care Specialist and the Registered Nurse
 - VSMS/Chief Quality and Nursing Officer
 - Chair, Deputy Chair, Clinical Vice Chair
- b) Keeping under review the leadership needs of the organisation, with a view to ensuring the continued ability of the CCG to attract high calibre Governing Body members.

6.4 Development or amendment of CCG Policies or CCG Constitution

The Remuneration and Nomination Committee shall make recommendations to the Governing Body on the development or proposed amendment of CCG policies or CCG Constitution, resulting from the deliberations of the committee.

7.0 Governing Body Assurance Framework and Risk Management

7.1 The Remuneration and Nomination Committee:

- a) Shall oversee the development of the Governing Body Assurance Framework in respect of the principal risks relating to its remit.
- b) Shall ensure that its annual work plan appropriately reflects the strategic objectives and principal risks in the Governing Body Assurance Framework.
- c) Has responsibility for risks in line with its remit. The Committee shall:
 - Review and monitor the corporate risk register in respect of the risks identified, requesting action by accountable individuals to manage risks, as required.
 - Provide the Audit Committee with assurance that those risks are being managed in line with the Integrated Risk Management Framework.

8.0 Reporting Arrangements

8.1 The Remuneration and Nomination Committee reports to the Governing Body.

8.2 The committee's discussions will usually relate to individuals and will be confidential. The minutes will be private and will be submitted to the Governing Body in the private section of the meeting.

8.3 Individuals seeking access to elements of the minutes that refer to themselves, should submit a Subject Access Request, in line with the CCG's Records Management Policy.

8.4 The Chair of the Committee shall draw to the attention of the Governing Body any issues that require approval, disclosure or other executive action.

8.5 The Remuneration and Nomination Committee will ensure that ratification is sought on any decisions by NHS England as required.

9.0 Conduct of the committee

9.1 All members will have due regard to and operate within the Constitution of the CCG, Standing Orders, Standing Financial Instructions and other financial procedures.

9.2 Members of the Committee will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.

9.3 The committee shall undertake an annual self-assessment of its performance, identifying opportunities to improve its effectiveness. The annual assessment will

include a review of performance against the committee's annual plan, membership and terms of reference. This self-assessment shall form the basis of the annual report from the Remuneration and Nomination Committee to be submitted to the Audit Committee.

- 9.4 Any resulting changes to the terms of reference shall be submitted for approval by the Governing Body.

ENDS 22.10.20

Change History

Vn. No.	Changes Applied	By	Date
1.0 FINAL	Approved by the Governing Body	JS	11.04.13
1.1	Submitted to remuneration committee for recommendations regarding amendments	JS	07.11.13
1.2	Incorporating proposed amendments from the remuneration committee	JS	07.11.13
1.3	Submitted to Audit and Governance Committee for review. Amendments incorporated	JS	21.11.13
2.0 FINAL	Approved by Governing Body	JS	16.1.14
2.1	Submitted to Remuneration Committee for review:	JS	18.12.14
2.2	Submitted to Audit Committee for recommendation to Governing Body, subject to any amendment.	JS	22.1.15
2.3	Additional amendments relating to the oversight of VSM and Governing Body appraisal process. (Remuneration Committee 18 Dec 2014 and 26 Feb 2015)	JS	27.2.15
3.0 FINAL	Approved by Governing Body	JS	9.4.15
3.1	Reviewed by Remuneration Committee, no changes recommended	JS	
3.1	amendments to take account of transfer of HR function to new provider	JS with Remuneration Committee Chair	
4.0 FINAL	Approved by Governing Body	JS	14.4.16
4.1	Proposed amendments to enable the committee to approve remuneration, terms and conditions of Governing Body members. Amendments to align to the Scheme of delegation. Amendment to the arrangements for minute taking and for approving minutes if moving to 1-2 meetings per year.	JS (reviewed by Remuneration Committee 23 rd February)	16.2.17
4.2	Changes to the Scheme of Delegation and Reservation regarding the remuneration committee reviewed by DAC Beachcroft LLP and approved by the CCG membership and NHSE.	To be submitted to Governing Body	08.06.17
5.0 FINAL	Approved by Governing Body with the further amendment that the Lay Advisor role is replaced by the Lay Member role (Finance and Performance), establishment of a deputy chair and requirement that quoracy includes either the committee chair or deputy chair.	JS	08.07.17
5.1	Submitted for review to the Remuneration Committee	Judith Salter	18.01.18

5.2	Submitted for approval by Governing Body	Judith Salter	12.04.2018
6.0 FINAL	Approved by Governing Body	JS	12.04.18
6.1	First draft for comment	JS	10.07.18
6.2	Reviewed by GB development planning group – minor amends	JS	17.10.18
6.3	Reviewed by SMT – minor amends	JS	29.11.18
6.4	Reviewed by Remuneration Committee	JS	24.01.19
6.5	Following advice from NHSE; incorporated changed requirements regarding making recommendations on the remuneration of employees and people who provide services to the CCG.	JS	05.02.19
7.0 FINAL	Approved by Governing Body	AOC	11.04.19
7.1	Submitted to Remuneration and Nomination Committee for review	AOC	27.02.20
8.0	Approved by Governing Body	AOC	22.10.20