

## Remuneration Committee

### Terms of Reference

#### 1. Purpose

The Remuneration Committee exists to make determinations about the remuneration, allowances, and terms of service for Governing Body members, and other senior managers on Very Senior Managers pay.

The Remuneration Committee may meet 'in-common' with the Audit and Governance Committees of NHS Nottingham City CCG, NHS Nottingham West CCG and NHS Rushcliffe CCG.

#### 2. Status

The Remuneration Committee is established in accordance with the CCG's constitution and is a statutory committee of, and accountable to, the Governing Body.

The Committee is authorised to create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's membership.

#### 3. Duties

- a) Advise the Governing Body about appropriate remuneration, allowances, and terms of service for Governing Body members, and other senior managers on Very Senior Managers pay. This will be guided by NHS policy and best practice and will include all aspects of salary as well as arrangements for termination of employment and other contractual terms.
- b) Ensure that Very Senior Managers are fairly motivated and rewarded for their individual contribution to the organisation, whilst ensuring proper regard to the organisation's circumstances and performance and to the provision of national arrangements.
- c) Make recommendations to the Governing Body on the performance, development and succession planning of Governing Body members.
- d) Advise the Governing Body and oversee appropriate contractual arrangements for Governing Body members, and other senior managers on Very Senior Managers pay, including the proper calculation and scrutiny of termination payments taking account of such national guidance as appropriate.
- e) Oversee the identification and management of risks relating to the Committee's remit.
- f) Approval and monitoring of policies within the Committee's remit.

#### **4. Membership**

The Remuneration Committee's membership will be drawn from the Governing Body's membership and will be determined on the basis of the matters to be discussed at each meeting, ensuring that no member of the Committee is involved in discussions and decisions about their own remuneration.

The Remuneration Committee will have three members.

Membership will normally be comprised as follows:

- Lay Member (Financial Management and Audit Lead)
- Lay Member (Patient and Public Involvement Lead)
- Lay Member

However, when Lay Member remuneration is under discussion, membership will be comprised as follows:

- Clinical Chair
- Accountable Officer
- Chief Finance Officer

#### **5. Chair and Deputy**

The Lay Member (Financial Management and Audit Lead) will normally Chair the Remuneration Committee, with one of the other Lay Members being nominated to deputise in the Chair's absence.

In instances where Lay Member remuneration is being discussed, a Chair will be nominated from amongst the Committee's members.

#### **6. Quorum**

The Remuneration Committee will be quorate with a minimum of two members.

If any Committee member has been disqualified from participating in the discussion and/or decision-making for an item on the agenda, by reason of a declaration of a conflict of interest, then that individual shall no longer count towards the quorum.

#### **7. Frequency of Meetings**

The Remuneration Committee will meet as required, with a minimum of one meeting per year.

## **8. Secretariat and Conduct of Business**

Secretariat support will be provided to the Committee to ensure the day to day work of the Committee is proceeding satisfactorily.

Agendas and supporting papers will be circulated no later than three working days in advance of meetings and will be distributed by the secretary to the Remuneration Committee.

Any items to be placed on the agenda are to be sent to the secretary no later than five working days in advance of the meeting. Items which miss the deadline for inclusion on the agenda may be added on receipt of permission from the Chair.

The Remuneration Committee agenda will be agreed with the Chair prior to the meeting.

## **9. Minutes of Meetings**

Minutes will be taken at all meetings, presented according the corporate style.

The minutes will be ratified following agreement by all members who attended the meeting.

## **10. Conflicts of Interest Management**

In advance of any meeting of the Remuneration Committee, consideration will be given as to whether conflicts of interest are likely to arise in relation to any agenda item and how they should be managed. This may include steps to be taken prior to the meeting, such as ensuring that supporting papers for a particular agenda item are not sent to conflicted individuals.

At the beginning of each Committee meeting, members and attendees will be required to declare any interests that relate specifically to a particular issue under consideration. If the existence of an interest becomes apparent during a meeting, then this must be declared at the point at which it arises. Any such declaration will be formally recorded in the minutes for the meeting.

The Chair of the Committee will determine how declared interests should be managed, which is likely to involve one the following actions:

- a) Requiring the individual to withdraw from the meeting for that part of the discussion if the conflict could be seen as detrimental to the Committee's decision-making arrangements.
- b) Allowing the individual to participate in the discussion, but not the decision-making process.
- c) Allowing full participation in discussion and the decision-making process, as the potential conflict is not perceived to be material or detrimental to the Committee's decision-making arrangements.

## 11. Reporting Responsibilities and Review of Committee Effectiveness

The Remuneration Committee will report to the Governing Body (confidential session) in an annual report following the year end. Any items of specific concern, or which require Governing Body approval, will be the subject of a separate report.

## 12. Review of Terms of Reference

These Terms of Reference will be formally reviewed on an annual basis, but may be amended at any time in order to adapt to any national guidance as and when issued.

Any proposed amendments to the Terms of Reference will be submitted to the Governing Body for approval.

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