

**Humber and North Yorkshire**

**Integrated Care Board**

**Remuneration Committee**

**Terms of Reference**

|  |  |
| --- | --- |
| **Terms of Reference:** | **Remuneration Committee** |
| **Authorship:** | **Executive Director of Corporate Affairs** |
| **Board Responsible for Approving:** | **Integrated Care Board** |
| **Approved Date:** | **March 2024** |
| **Ratified Date:** | **May 2024** |
| **Review Date:** | **March 2025** |
| **Version Number:** | **3.0** |
| **The online version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.** | |

# Constitution

The Remuneration Committee (the Committee) is established by the Integrated Care Board (the Board) as a Committee of the Board in accordance with its Constitution and Standing Orders.

These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a statutory non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

**ICB Board**

**Remuneration Committee**

# Authority

The Remuneration Committee is authorised by the Board to:

* + Investigate any activity within its terms of reference.
  + 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 in these terms of reference.
  + Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is 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 and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee’s members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB’s Constitution, standing orders and SoRD but may /not delegate any decisions to such groups.

For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation will prevail over these terms of reference other than the committee being permitted to meet in private.

The Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference

# Purpose

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 board members) and Non-Executive Directors excluding the Chair.

The Board has also delegated the following functions to the Committee:

* + Oversight of executive board member performance (further detail included in responsibilities section).

# Membership and Attendance

**Membership**

The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

The Board will appoint no fewer than three members of the Committee including two independent members of the Board, other members of the Committee need not be members of the board, but they may be.

The Chair of the Audit Committee may not be a member of the Remuneration Committee.

The Chair of the ICB Board may be a member of the Committee but may not be appointed as the Chair.

When determining the membership of the Committee, active consideration will be made to diversity and equality.

The members of the Committee will be:

* Independent Non-Executive Member – Remuneration (Chair)
* Primary Care Partner Member
* Chair of the Board
* x2 Independent Members

# Chair and Vice Chair

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 (excluding Chair of the Board).

In the absence of the Chair, or Vice Chair, the remaining independent members present shall elect one of their members to Chair the meeting.

The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

# Attendees

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.

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:

* Executive Director of People or their nominated deputy
* Executive Director of Finance and Investment or their nominated deputy
* Executive Director of Corporate Affairs or their nominated deputy
* Chief Executive or the Deputy Chief Executive

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 of particular matters.

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.

# Meetings Quoracy and Decisions

The Committee will meet in private.

The Committee will meet at least twice each year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The ICB Board, Chair or Chief Executive may ask the Remuneration Committee to convene further meetings to discuss particular issues on which they want the Committee’s advice.

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

# Quorum

For a meeting to be quorate a minimum of two of the independent members is required, including the Chair or Vice Chair.

If any member of the Committee has been disqualified from participating on item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

# Decision making and voting.

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.

Decisions will be taken in according 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 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.

# Responsibilities of the Committee

The Committee’s duties are as follows:

# For the Chief Executive, 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.
    - Determine the arrangements for staff benefits, and salary sacrifice schemes
    - Approve ICB Human Resources (HR) and Remuneration policies.

# Additional functions of the Committee include:

* + - Functions in relation to nomination and appointment of (some or all) Board members.
    - Functions in relation to performance review and oversight for Chief Executive, Executive Directors, and Very Senior Managers.
    - Succession planning for the Board and Executive Directors with assurance and oversight of the wider organisation arrangements.
    - Endorsement (where required) and 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) and approval of ICB people policies.
    - The duties of the Remuneration Committee will be driven by the organisation’s objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however, this will be flexible to new and emerging priorities and risks.
    - To be responsible for the oversight, monitoring, and implementation of remedial actions in relation to any risks which are aligned to the committee on the Board Assurance Framework (BAF) and on the risk registers.

# Behaviours and Conduct

# Benchmarking and guidance.

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

# ICB values

Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.

Members of, and those attending, the Committee shall behave in accordance with the ICB’s Constitution, Standing Orders, and Code of Conduct and Behaviours Policy.

# Equality diversity and inclusion

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

# Accountability and Reporting

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 the Chair will provide the agreed key messages of each of its meetings, for information, to the ICB Board at each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

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.

# Secretariat and Administration

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 the 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 by the secretariat. Those that do not meet a minimum of 75% attendance in a 12-month period are highlighted to the Chair.
* Records of members’ appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary.
* Good quality minutes are taken in accordance with the 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; and
* Action points are taken forward between meetings.
* The secretariat is responsible for ensuring that the annual programme of business is regularly updated according to the Committees objectives and associated risks.

# Virtual Meetings / Recording of Meetings

As detailed within the ICB Constitution and Standing Orders, virtual meetings are permitted subject to the approval of the Chair.

The Chair is legally required to inform attendees if the meeting is being recorded and that the purpose of the recording is as an administrative tool to support the provision of clear and accurate minutes. The recording is only retained for the period of drafting the minutes and then subsequently deleted from all systems. No person admitted to a meeting of the Committee will be permitted to record the proceedings in any manner without agreement from the Chair.

# Declarations of Interest / Conflicts of Interest

Conflicts of interest will be managed in accordance with the ICBs policies and procedures. All committee members and attendees must adhere to the ICB’s Constitution and Conflicts of Interest policies. Where the Chair or a member, or attendee, of the committee believes that they have any actual or perceived conflicts of interest in relation to one or more agenda items, they must declare this at the beginning of the meeting wherever possible, and always in advance of the agenda item being discussed. It will be responsibility of the Chair to decide how to manage the conflict and the appropriate course of action.

Any interests which are declared at a meeting must be included within the minutes of the meeting, the individual with the conflict must ensure that the interest is added (if not already the case) to their declaration as soon as is practicable following the meeting.

# Review

The Committee will review its effectiveness at least annually including an action plan following any outcomes which will be reviewed halfway through the year.

These terms of reference will be reviewed at least annually and earlier if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

END