

## Integrated Care Board

### Remuneration Committee

#### Terms of Reference

26 June 2023

#### 1. Introduction

- 1.1. The NHS South East London Integrated Care Board (ICB) Remuneration Committee [the “committee”] is established as a committee of the ICB. The committee has no executive powers other than those specifically delegated in these terms of reference. These terms of reference can only be amended by the ICB Board.
- 1.2. These terms of reference set out the role, responsibilities, membership, and reporting arrangements of the committee under its terms of delegation from the ICB Board.
- 1.3. All members of staff and members of the ICB are directed to co-operate with any requests made by the Remuneration Committee.

#### 2. Authority

- 2.1. The Remuneration Committee is authorised by the ICB 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
- 2.2. 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.

#### 3. Purpose

- 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, including Agenda for Change, for all employees including senior managers/directors (including board members).
  - The pay of Non-executive directors, excluding the chair, will be confirmed by a separate panel, specifically for this purpose, and will not include non-executive directors.
- 3.2. Members of the remuneration committee shall not discuss their own remuneration and conditions of service.
- 3.3. Consideration and determination of the remuneration and conditions of service for members of the remuneration committee shall be delegated to the ICB's Chief Executive, in discussion with the ICB chair, who shall seek the ratification of the Board for decisions made in this respect.

#### **4. Duties**

- 4.1. The committee's duties are as follows:
- 4.2. 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
- 4.3. For all staff:
- Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change)
  - Determine and approve 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 and approve any additional allowances, outside of the adopted pay framework, for the ICB's staff. Where a responsibility allowance is requested for staff in Agenda for Change bands 2-7 and is less than £2,500 p.a. this can be approved by the Executive Committee.
- 4.4. For clinical and professional leads:
- Determine and approve the remuneration for clinical and professional leads across the ICB.

#### **5. Membership and attendance**

- 5.1. The committee members shall be appointed by the Board in accordance with the ICB

constitution.

- 5.2. The Board will appoint four members of the committee including the ICB chair, one non-executive member of the Board and two partner members of the ICB board.
- 5.3. The chair of the Audit Committee may not be a member of the Remuneration Committee.
- 5.4. The chair of the Board may be a member of the committee but may not be appointed as the chair.
- 5.5. When non-executive pay remuneration is to be discussed / determined, a separate panel will be convened the members of which will be the five partner members of the ICB board.
- 5.6. When determining the membership of the committee, active consideration will be made to diversity and equality.
- 5.7. 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.
- 5.8. Meetings of the committee may also be attended by the following individuals who are not members for all or part of a meeting as and when appropriate. Such attendees will not be eligible to vote:
  - The ICB's Director of HR or their nominated deputy
  - The ICB's Chief Financial Officer or their nominated deputy
  - The Chief Executive or the Chief of Staff
- 5.9. The chair may also ask the person responsible for writing the remuneration committee paper to attend to facilitate discussion and respond to questions.
- 5.10. 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.
- 5.11. 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, e.g. a peer's pay.

## **6. Chair and Vice Chair**

- 6.1. In accordance with the constitution, the committee will be chaired by a non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the committee.
- 6.2. The vice chair of the committee will be one of the partner members. In the absence of

the chair, the vice chair will chair the meeting.

- 6.3. The chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these terms of reference.
- 6.4. When non-executive pay remuneration is to be discussed / determined, the partner members present on the panel shall elect one of their number to chair the meeting.

## **7. Meeting Quoracy and Decisions**

- 7.1. The Remuneration Committee will meet a minimum of twice a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.
- 7.2. The committee will meet in private.
- 7.3. The committee will meet as required and arrangements and notice for calling meetings are set out in the Standing Orders.
- 7.4. The Board, chair or chief executive may ask the Remuneration Committee to convene meetings to discuss particular issues on which they want the committee's advice or decision.
- 7.5. 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.
- 7.6. For a meeting to be quorate 75% of the members are required including the chair.
- 7.7. If any member of the committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

## **8. Decision making and voting**

- 8.1. 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.
- 8.2. 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.
- 8.3. Only members of the committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.
- 8.4. Where there is a split vote, with no clear majority, the chair of the committee will hold the casting vote.

## **9. Procedure of decisions made outside of formal meetings**

- 9.1. The committee chair will arrange for the notice of the business to be determined and any supporting paper to be sent to members by email. The email will ask for a response to be sent to the committee chair by a stated date. A decision made in this way will only be valid if the same minimum quorum described in the above paragraph, expressed by email or signed written communication, by the stated date for response, states that they are in favour.
- 9.2. The ICB's corporate and business support team will retain all correspondence pertaining to such a decision for audit purposes and report decisions so made to the next meeting. A clear summary of the issue and decision agreed will then be recorded in the minutes of this meeting.

## **10. Behaviours and Conduct**

- 10.1. 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 and Social Care, NHS England and the wider NHS in reaching their determinations.
- 10.2. Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.
- 10.3. Members of, and those attending, the committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.
- 10.4. Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

## **11. Accountability and reporting**

- 11.1. The committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.
- 11.2. The minutes of the meetings shall be formally recorded by the secretary.
- 11.3. The Remuneration Committee will submit a report to part 2 of the Board following each of its meetings. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

## **12. Secretariat and Administration**

12.1. 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 the Standing Orders having been agreed by the chair with the support of the relevant executive lead
- Good quality minutes are taken in accordance with the standing orders and agreed with the chair.

## **13. Review**

13.1. The committee will review its effectiveness at least annually.

13.2. These terms of reference will be reviewed at least annually and earlier if required.

13.3. Any proposed amendments to the terms of reference will be submitted to the Board for approval.