

## REMUNERATION & TERMS OF SERVICE COMMITTEE

### TERMS OF REFERENCE

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#### 1. ROLE OF THE COMMITTEE/GROUP

##### 1.1 Purpose:

The Remuneration and Terms of Service Committee is a subcommittee of the CCG Board with delegated responsibility for making recommendations to the Board on all aspects of remuneration and terms of service of employees, including the Accountable Officer, Directors and Lay Members. The Remuneration Committee has delegated responsibility for providing scrutiny to the Chair's assessment of the performance of the Accountable Officer, Lay Members and Elected GP Members before it is presented to the Board. The committee will ensure that fairness, equity and consistency are applied in this process.

The Committee will conduct its business in accordance with the provisions of the CCG's Standing Orders, Standing Financial Instructions and Scheme of Delegation.

##### 1.2 Objectives:

The Committee will:

- Make recommendations on the appropriate remuneration and terms of service for the Accountable Officer, Lay Members and staff not employed on Agenda for Change terms and conditions including:
  - all aspects of salary
  - provisions for other benefits, including pensions;
  - arrangements for termination of employment and other contractual terms;
- Be responsible for making decisions concerning the remuneration and terms of service for Elected GP members, and other people who provide services to the CCG (all of whom are not employees of the CCG), taking in to account any national or local guidance as is appropriate, so as to ensure that the individual is fairly rewarded for their individual contribution to the CCG while having proper regard to the circumstances and performance, and to the requirements of fair and open tendering or recruitment policies;
- Advise the CCG Board on the remuneration and terms of service of very senior employees, particularly in relation to discretionary payments (ie honorariums), to ensure they are fairly rewarded for their individual contribution to NHS Mid Essex CCG - having proper regard to the NHS / Mid Essex CCG's circumstances and performance and to the provisions of any national arrangements for such staff;

- Oversee the proper calculation and scrutiny of termination payments, taking account of such national guidance as is appropriate, advise on and oversee appropriate contractual arrangements for such staff;
- For the purpose of performance evaluation and remuneration decisions, the Committee will collate the annual objectives and performance assessment of:
  - Accountable Officer
  - Lay Members
  - CCG Chair
  - Elected GP members
  - Executive Directors

presenting these to the Board for full review

- With specific input from the core committee members, monitor performance, review and set the remuneration of the posts that fall within the remit of the Committee. (Any members will not be present during the discussions on his/her own remuneration and performance (see appendix 1)
- Report confidentially in writing to the CCG Board a summary of its recommendations and decisions.

## **2. ACCOUNTABILITY**

The Remuneration and Terms of Service Committee is accountable to the Mid Essex CCG Board.

## **3. DECISION MAKING**

The Committee has delegated authority from the CCG Board to:

- Make recommendations on appropriate remuneration and terms of service for the Accountable Officer, Lay Members and other employees who are not employed on Agenda for Change terms and conditions;
- Decide on any proposed remuneration for individual Executive Board Members for specific work in addition to their corporate Executive role;
- Decide on any changes to remuneration for Clinical Board members (i.e. Elected GP's – office holders) – ensuring that no individual has a hand in determining their own remuneration. This is in line with national guidance.

## **4. MONITORING AND REPORTING**

### **4.1 Monitoring Arrangements:**

In order to discharge its duties effectively the Committee will require professional advice on relevant employment legislation, guidance and good practice.

## **4.2 Reporting arrangements:**

This Committee will confidentially report to the NHS Mid Essex CCG Board, which will be sent a summary of the items of discussion at each Remuneration and Terms of Service Committee via a paper that will be circulated at Part II of the first available public Board meeting after the Remuneration and Terms of Service Committee has met. Any items requiring a Board decision will be clearly reported to the next available Board (or in exceptional circumstances, an outcome will be sought from Board under 'emergency powers'). Full minutes of the committee will be sent in confidence only to Remuneration Committee Lay Members, the Accountable Officer, the CCG Chair and the Head of Human Resources & Workforce Development.

## **5. MEMBERSHIP**

### **5.1 Core Members:**

- CCG Lay Member, Governance (Chair)
- CCG Lay Member, Commercial
- CCG Chair
- Accountable Officer

Any core member will withdraw at any time when their own remuneration or performance is being reviewed or discussed.

### **5.2 In attendance:**

In regular attendance will be the Head of Human Resources & Workforce Development, as regular adviser to the Committee. Other parties as deemed relevant to agenda items – i.e. CFO/Deputy CFO will be invited to attend as necessary.

The Committee's meetings will be administered by the Head of Human Resources & Workforce Development. Papers for the meetings will be sent by email unless otherwise requested, at least 5 working days prior to the meeting, wherever possible.

Apologies for absence are to be received at least 5 working days prior to the meeting, other than in exceptional circumstances.

## **6. QUORUM**

The Committee will be considered quorate when two of the core members are present, at least one of whom is a non-officer. In the event of a split decision, the Chair of the Committee will have an additional casting vote.

Where it is considered necessary, approval for decision making which affects one or more of the core members of the Committee will be sought from an appropriate source – to ratify decision making and to ensure all due scrutiny has been afforded by an independent source (i.e. an additional Lay Member may be asked to confirm approval of an increase in pay for Elected GPs, where the decision-making quoracy of members would not otherwise be achieved through the core membership – due to conflict of interest).

## **7. MEETING FREQUENCY**

The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.

Telephone conference facilities should be used whenever practicable to increase the opportunity of attendance by the members of the committee.

## **8. REVIEW OF EFFECTIVENESS**

The Committee will develop a work-plan that prioritises and monitors the delivery of its objectives. This work-plan will be monitored regularly and will be formally reviewed on an annual basis.

## **9. REVIEW OF TERMS OF REFERENCE**

To be reviewed annually and ratified by the CCG Board.

Date of Board approval: 24 January 2019

## **APPENDIX 1**

### **ANNUAL REVIEW PROCESS OF THE BOARD (including Accountable Officer)**

#### **Lay Members and Elected GP Members**

The annual performance review process allows for the CCG Chair to undertake an assessment of the performance of the Lay and Elected GP members – and to set any core objectives for the year ahead.

This performance assessment and setting of objectives will be confidentially reported to the Board for ratification at the earliest opportunity following the annual appraisal and objective setting meeting.

#### **Accountable Officer**

The NHS Mid Essex CCG Chair sets the NHS Mid Essex CCG Accountable Officer's objectives, informed by recommendations from the Remuneration and Terms of Service Committee and any other relevant parties.

The NHS Mid Essex CCG Chair undertakes an initial assessment of the NHS Mid Essex CCG Accountable Officer's performance and presents it to the Remuneration and Terms of Service Committee for comment. It will then be confidentially reported to the Board for ratification at the earliest opportunity following the annual appraisal and objective setting meeting.

#### **Executive Directors**

The annual performance review process allows for the Accountable Officer to undertake an assessment of the performance of the Executive Directors – and to set any core objectives for the year ahead.

This performance assessment and setting of objectives will be confidentially reported to the Board for ratification at the earliest opportunity following the annual appraisal and objective setting meeting.