

## Surrey Heartlands' CCGs

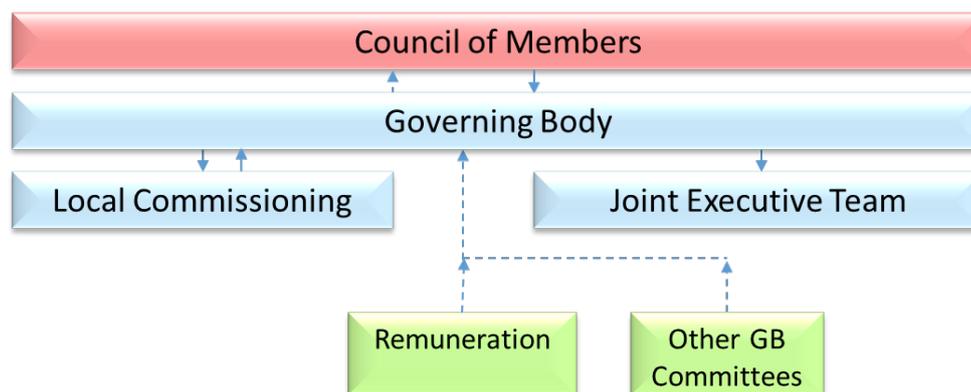
### REMUNERATION COMMITTEE

#### Terms of Reference

<b>Guildford and Waverley CCG</b>	✓
<b>North West Surrey CCG</b>	✓
<b>Surrey Downs CCG</b>	✓

**Approved:** October 2018

**Next review due:** April 2019



## 1. Context

- 1.1. Each of the three Surrey Heartlands' Clinical Commissioning Groups (NHS Guildford & Waverley CCG, NHS North West Surrey CCG and Surrey Downs CCG) Governing Body has resolved to establish a committee of the Governing Body known as the Remuneration Committee (known as 'the Committee') in accordance with Schedule 1A of the National Health Service Act 2006 (as amended) ("the NHS Act").
- 1.2. The Committee is established in accordance with each of the CCG's constitution. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and shall have effect as if incorporated into the CCG's constitution.

### Working together as the Surrey Heartlands Clinical Commissioning Groups

Guildford and Waverley CCG | North West Surrey CCG | Surrey Downs CCG

- 1.3. The Committee will meet “in common” with one or more of the other Surrey Heartlands’ CCGs. (The Committee may meet individually where there is a matter that is only relevant to the CCG.)

## **2. Purpose & Objectives**

- 2.1. The purpose of the Committee is set out in the CCG's Constitution.
- 2.2. The Committee provides the Governing Body with a formal and transparent procedure for developing systems, policies and procedures on executive (including Very Senior Managers (VSM)) remuneration and for agreeing and recommending the remuneration packages of members of the Governing Body, Executive Directors and GPs.
- 2.3. The Committee makes recommendations to the Governing Body on policy determinations relating the remuneration, fees and other allowances for Workers, Self-employed Consultant and Office Holders who are employed through payroll<sup>1</sup> and invoice who provide services to the CCG.
- 2.4. The Committees will consider and make recommendations to the Governing Body on arrangements to be determined locally as set out in the NHS Terms and Conditions Handbook or any other locally agreed allowances, including determinations under any pension scheme that the CCG may establish as an alternative to the NHS pensions scheme.

## **3. Accountability/ Delegated Authority**

- 3.1. The Committee is accountable to the Governing Body.
- 3.2. The minutes of Committee meetings shall be formally recorded and retained.<sup>2</sup> The Chair will produce a Summary Report that records the recommendations of the Committee and provides sufficient information to provide assurance to the Governing Body to allow it to make their decisions, without revealing personal information. (For clarity – The Summary Report will be considered in the Part II section Governing Body meeting.)
- 3.3. Where a “Committees in Common” meeting arrangement is used, the minutes will be written as if only the Committee met.<sup>3</sup>
- 3.4. The Committee is authorised by the Governing Body to investigate any activity within these terms of reference. It is authorised to seek any information it requires from any member, officer or employee who are directed to co-operate with any request made by the Committee. The Committee is authorised by the

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<sup>1</sup> this includes Staff working for the Sustainability & Transformation Partnership.

<sup>2</sup> The minutes will contain personal information that should not be revealed even at a Part 1 Governing Body meeting. The minutes must be retained so that the Auditors can provide assurance of the accuracy of the Summary Report submitted to the Governing Body.

<sup>3</sup> The minutes will be usually written generically e.g. “The Committee agreed that” and therefore identical for all the Committees meeting in common. The start of the minutes will have a Header denoting the name of each committee participating in the meeting in common.

Governing Body to obtain outside legal or other independent professional advice and to secure the attendance of other individuals with relevant experience and expertise if it considers necessary.

- 3.5. The CCG's annual report shall include a section describing the work of the Committee in discharging its responsibilities.

#### **4. Sub Committees & Delegation**

- 4.1. The Committee may not create sub-committees or delegate its functions.

#### **5. Responsibilities**

- 5.1. The Committee will determine and report to the Governing Body the appropriate remuneration and terms of service for the Chair, Joint Accountable Officer, other Governing Body members, Executive Directors and GPs including:
- a) all aspects of salary (including any performance-related elements/bonuses);
  - b) provisions for other benefits, including pensions and payments; and
  - c) arrangements for termination of employment and other contractual terms.
- 5.2. The Committee will consider the severance and settlement payments including those requiring HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money' (available on the HM Treasury.gov.uk website).
- 5.3. The Committee shall review the performance of the Joint Accountable Officer, Executive Directors and GPs determine the annual remuneration package, if appropriate.
- 5.4. The Remuneration Chair shall attend the CCG's AGM prepared to respond to any questions that may be raised on matters within the Committee's area of responsibility.
- 5.5. The Committee shall adhere to all relevant laws, regulations and policy in all respects, including:
- a) national guidance (i.e. NHS Improvements price cap); and
  - b) Treasury compliance/ approvals.
- 5.6. It will take into account:
- a) benchmarked information of other clinical commissioning groups' costs; and
  - b) the competing earnings potential in primary care.

- 5.7. The Committee will review and recommend to the Governing Body Human Resource policies for approval.
- 5.8. The Committee is responsible for reviewing those risks on the Corporate Risk Register and Governing Body Assurance Framework which have been assigned to it and ensure that appropriate and effective mitigating actions are in place, including giving assurance to the Governing Body on risks associated with the Committee's purpose.

## 6. Membership

6.1. The membership of the committee shall consist of:

**6.1.1. Voting members** (or nominated deputies):

- Lay Member (Patient & Public Engagement), who shall be the Committee Chair;
- Lay Member (Audit)<sup>4</sup>; and
- one GP Clinical Representative of the Governing Body.

**6.2. Appointment of Members:**

6.2.1. The members of the Committee shall be appointed with approval from the Governing Body.

6.2.2. The Chair of the Governing Body will not be a member of the Committee.

6.3. Members of the Committee should aim to attend all scheduled Committee meetings. The Chair of the Committee will review with the Chair of the Governing Body any circumstances in which a Member's attendance falls below 75% attendance.

## 7. Co-opted members / deputies / attendees

7.1. The Committee may not co-opt additional members except as set out in

7.1.1. The Committee may co-opt for specific items at a meeting the following additional members when agenda items of remuneration of Lay Members or GPs is being considered and a quorum would otherwise not be possible:

- Joint Accountable Officer of the Surrey Heartlands CCGs.
- Chief Finance Officer.

7.2. Committee members may nominate a suitable deputy when necessary and subject to the approval of the Chair. All deputies should be fully briefed and the secretariat informed of any agreement to deputise so that quoracy can be maintained.

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<sup>4</sup> NHSE Guidance: "The Lay Member (Audit) role will be to oversee key elements of governance including audit, remuneration and managing conflicts of interest."

- 7.3. No person attending the meeting in one role can additionally act on behalf of another person as their deputy.
- 7.4. The following members of the CCG shall routinely attend meetings:
- a) the Joint Accountable Officer for the Surrey Heartlands CCGs;
  - b) the Chief Finance Officer for the Surrey Heartlands CCGs;
  - c) the Executive Director of Communications and Corporate Affairs; and
  - d) a Human Resources lead.
- 7.5. None of the above persons should be in attendance for discussions about their own remuneration and terms of service or contract.
- 7.6. Other members, officers or employees of the CCG may be invited by the Committee to attend meetings, as appropriate. Those invited to attend a meeting will not be entitled to vote.

## **8. The Convener – (Committees in Common)**

- 8.1. Where the Committee is using the “Committees in Common” meeting approach, the participating chairs (or deputies) will select from themselves a “Convener” for the meeting. All the participating committees will then agree to allow the Convener to chair the committees in common meeting.<sup>5</sup>
- 8.2. The Convener will rotate amongst the participating chairs, although there may be occasions when the business will indicate which of the chairs would be most appropriate to be the Convener.

## **9. Quorum**

- 9.1. A quorum shall be two Committee members, which must include:
- Committee Chair (or deputy)
- 9.2. The Convener will ask each of the participating chairs to decide if the meeting is quorate after any actions have been taken to manage any declared conflicts of interest.
- 9.3. Nominated deputies attending committee meetings, on behalf of substantive members, will count towards quorum.
- 9.4. If a meeting is not quorate, the Convener may adjourn the meeting to permit the appointment or co-option of additional members if necessary. The Committee Chair will have the final decision as to their suitability.
- 9.5. Any decisions put to a vote at a Committee meeting shall be determined by a majority of the votes of members present (For clarity: members may be physically attending the meeting or participating by an agreed

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<sup>5</sup> The position of chair for each committee may be held by the same individual. The clause is still applied but the outcome is obvious.

telecommunications link - see section 10). In the case of an equal vote, the Chair shall have a second and casting vote. The chair will declare the result of the vote.

## **10. Meetings**

- 10.1. The committee will meet a minimum of four times per year and have an annual rolling programme of meeting dates and agenda items.
- 10.2. The Committee will operate in accordance with the CCG's Standing Orders. The Corporate Office will be responsible for ensuring administrative support to the Committee. This will include:
  - Giving notice of meetings (including, when the Chair of the Committee deems it necessary in light of the urgent circumstances, calling a meeting at short notice)
  - Issuing an agenda and supporting papers to each member and attendee no later than 5 days before the date of the meeting;
  - Ensuring an accurate record (minutes) of the meeting
- 10.3. The committee will meet in private and agendas and papers will not be published.
- 10.4. Meetings may be held by conference call or by electronic means, so long as the technology provides live and uninterrupted conferencing facilities.
- 10.5. With the agreement of the Chair and by exception one or more Members of the Committee may participate in meetings in person or virtually by using video or telephone or web link or other live and uninterrupted conferencing facilities.
- 10.6. An extra meeting of the Committee can be called at the request of the Committee Chair or CCG Chair.
- 10.7. Where an extra meeting needs to be scheduled, every endeavour will be made to give at least 10 working days' notice. Notification will be given by email.
- 10.8. Non-voting people may be required to withdraw from the confidential part of the meeting.
- 10.9. Members of the Committee have a collective responsibility for the operation of the Committee. They will participate in discussion, review evidence and provide objective expert input to the best of their knowledge and ability, and endeavour to reach a collective view.

## **11. Agenda Preparation**

- 11.1. The Committee will develop the forward-looking rolling Agenda programme, maintained by the secretariat.

11.2. The Convener will work with the secretariat on the preparation of the next meeting agenda and consult with the other participating Chairs.

## **12. Managing Conflicts of Interest**

12.1. The members of the Committee must comply fully with NHS England Guidance and CCG Policy regarding Conflict of Interest<sup>6</sup>.

12.2. The convener is responsible for managing conflicts of interest at a meeting of the committee. If the convener has a conflict of interest, then one of the other participating Chairs or another member of the committee is responsible for deciding the appropriate course of action.

12.3. At the start of the meeting, the convener will invite members to declare if they have any conflicts of interest with the business to be conducted, including previously declared interests.

12.4. The convener will decide any necessary course of action to manage a declared conflict of interest as advised by the CCG Conflict of Interest Policy.

12.5. Any declared conflicts of interest will be recorded in the minutes along with any action taken, in a form as advised by the CCG Standards of Business Conduct and Conflict of Interest Policy. In summary the information recorded is

- the name of the person noting the interest;
- the nature of the interest and why it gives rise to the conflict;
- the item of the agenda to which the interest related;
- how it was agreed that the conflict should be managed;
- evidence that the conflict was managed as intended.

## **13. Decision-making (Committees in Common)**

13.1. The aim of the Committee is to achieve consensus decision-making wherever possible.

13.2. The Committee will normally meet using the “Committees in Common” arrangement with the other Surrey Heartlands’ CCGs. When the Convener determines a consensus has been achieved by the members present then the decision will be considered to have been made by the Committee.

13.3. Each voting member of the Committee shall have one vote.

13.4. If the Convener determines that there is no consensus or one member disputes that consensus has been achieved, a vote will be taken by the Committee members. (The other CCG Committees meeting at the same time will likewise take a vote.) The vote will be passed with a simple majority the

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<sup>6</sup> The Management of Conflicts of Interest is included in the Standards of Business Conduct Policy.

votes of members present. In the case of an equal vote, the Chair shall have a second and casting vote.

- 13.5. The result of the vote will be recorded in the minutes and a record will also be made of the outcome of the voting for the other CCG committees.
- 13.6. All decisions taken in good faith at a meeting of the Committee shall be valid even if there is any vacancy in its membership or, it is discovered subsequently, that there was a defect in the calling of the meeting, or the appointment of a member attending the meeting

#### **14. Decision-making (Single CCG Issue)**

- 14.1. On occasions, an agenda item at a Committees in Common meeting will be considered that is pertinent to only one CCG. All meeting members may contribute to the discussion. When a decision needs to be made, the convener will invite committees not affected by the item to abstain from the decision-making.
- 14.2. A record of the discussion and decision need only be included in the minutes of the CCG Committee involved in the item.

#### **15. Emergency/ Chair's action**

- 15.1. The Committee will delegate responsibility for emergency powers and urgent decisions to the Chair of the Committee (or a deputy, if the chair is unavailable).
- 15.2. In the event of an urgent decision being required, this shall be taken by the Chair (or deputy) of the Committee; who must consult at least one other member of the committee who is a member of the Governing Body prior to taking the decision.
- 15.3. Urgent decisions must be reported to the next Committee meeting following the urgent decision for ratification by the full meeting together with a report detailing the grounds on which it was decided to take the decision on an urgent basis and the efforts made to contact the relevant other members of the Committee prior to taking the decision.

#### **16. Secretariat**

- 16.1. The Corporate Office will ensure the provision of a Secretary to the meeting who shall attend to take minutes of the meetings and provide appropriate administrative support to the Convener, Committee Chair and Committee members.
- 16.2. The Human Resources Lead will be responsible for supporting the Convener in the management of the Committee's business and for drawing the

Committee's attention to best practice, national guidance and other relevant documents as appropriate.

- 16.3. The Secretary will ensure minutes of the Committee are presented to the next meeting for formally sign off.
- 16.4. The Human Resources lead will submit a summary meeting report to the Governing Body Part 2 Meeting.
- 16.5. The Terms of Reference of the Committee will be made publicly available, as if integral to the Constitution. Information that is non-confidential may also be shared with various audiences under specific circumstances (i.e. the production of reports) within reason and where sharing is not restricted by overriding legislation, such as the Data Protection Act. This standard will also apply to any requests under the Freedom of Information Act.

## **17. Policy and Best Practice**

- 17.1. The Committee will apply best practice in its decision-making processes, for example, when considering individual remuneration, the Committee will:
  - a) comply with current disclosure requirements for remuneration;
  - b) on occasion, seek independent advice about remuneration for individuals; and
  - c) ensure that decisions are based on clear and transparent criteria.

## **18. Conduct of the Committee**

- 18.1. The CCG has a code of conduct in place which defines required standards of behaviour for individuals working within this organisation, and those performing or authorising activities or advisory duties on our behalf. The Committee and its membership will conduct itself in accordance with these standards and principles.
- 18.2. The CCG code of conduct specifically covers an employee/member's responsibility in relation to hospitality and gifts, and has regard to:
  - Professional Standards Authority Standards for Members of NHS Boards and Clinical Commissioning Group Governing Bodies in England,
  - NHS Business Services Authority Standards of Business Conduct Procedure,
  - Nolan seven principles of public life.

## **19. Review of Terms of Reference**

- 19.1. The Committee will self-assess its performance on an annual basis, normally starting each January, referencing its work plan to ensure that the business

transacted in meetings has effectively discharged the duties as set out in the Terms of Reference.

19.2. These terms of reference will be reviewed annually by the Committee membership. Any proposed significant changes to the ToR and responsibilities will be presented to the CCG Governing Body for approval.

19.3. These Terms of Reference are based on the three CCGs that make up Surrey Heartlands. For simplicity, each CCG will use identical Terms of Reference and the numbering has been re-started.

<b>Date</b>	<b>Version no.</b>	<b>Reviewed by</b>	<b>Status</b>	<b>Comments/ Changes since last version</b>
09/08/18	0.1	Governance Team	Draft	
09/08/18	0.2	Governance Team	Draft	
13/08/18	0.3	Governance Team	Draft	
21/08/18	0.4	Remuneration Committee Chairs	Draft	Informal Review
22/10/18	1.0	Remuneration Committees	Approved	Minor changes to section 2 and 5.5
26/03/19	1.1	Governing Bodies	Approved	Inclusion of risk in remit (5.7).