

Staffordshire and Stoke-on-Trent Integrated Care Board

Remuneration Committee –Terms of Reference

1. Constitution

- 1.1 The Remuneration Committee (the Committee) is established by the Staffordshire and Stoke on Trent Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.
- 1.2 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.
- 1.3 The Committee is a subcommittee 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.

2. Authority

- 2.1 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.
- 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.
- 3.1 In summary:
 - Confirm the ICB Pay Policy including adoption of any national pay frameworks for all employees outside of Agenda for Change terms and conditions including senior managers/directors (including board members) and non-executive directors.
- 3.2 The Board has also delegated the following functions to the Committee:

This might include functions such as:

- Elements of the nominations and appointments process for Board members;
- Oversight of executive board member performance and appraisal.

4. Membership and attendance

4.1 Membership

4.1.1 The Committee members shall be appointed by the Board in accordance with the Staffordshire and Stoke- on- Trent ICB Constitution.

4.1.2 The Board will appoint the 5 Non-Executive Directors as members of the Remuneration Committee.

4.1.3 The Committee will be supported by the Director of Corporate Governance and the Chief People Officer or nominated deputies

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

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

4.2 Chair and Vice Chair

- The Chair of the Remuneration Committee will be the Non-Executive Director holding the portfolio
- The Vice-Chair will be Chair of People, Culture, and Inclusion Committee

4.2.1 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.

4.2.2 Committee members may appoint a Vice Chair from amongst the members.

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

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

4.3 Non Executive Board Member's Remuneration Panel

4.3.1 In situations where the Remuneration Committee needs to determine the remuneration of ICB Non-Executive Members, the Remuneration Committee will delegate responsibility to a Remuneration panel consisting of:

- Two Non-Executive Director Chairs of the Board of the main provider partner organisations; one of whom shall assume the position of Chair;
- The Chair of the ICB

- Supported by The Director of Corporate Governance and the Chief People Officer

4.4 Attendees

4.4.1 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.

4.3.2 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:

- The ICB's most senior HR Advisor (Chief People Officer) or their nominated deputy
- ICB Chief Finance Officer or their nominated deputy
- Chief Executive or their nominated deputy
- The ICB Director of Corporate Governance or their nominated deputy

4.3.3 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.

4.3.4 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.

5. Meetings Quoracy and Decisions

5.1 The Committee will meet in private.

5.2 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.

5.3 The 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.

5.4 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.

5.5 Quorum

5.5.1 For a meeting to be quorate a minimum of two of the non-executive members is required, including the Chair or Vice Chair.

5.5.2 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.

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

5.6 Decision making and voting

- 5.6.1 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.
- 5.6.2 Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.
- 5.6.3 Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.
- 5.6.4 Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

6. Responsibilities of the Committee

6.1 The Committee's duties are as follows:

6.1.1 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.

6.1.2 For all staff:

- Determine the ICB pay policy (including the adoption of national 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.

6.1.3 Possible additional functions that ICBs might choose to include in the scope of the committee include:

- Functions in relation to nomination and appointment of (some or all) Board members;
- Functions in relation to performance review/ oversight for directors/senior managers;
- Succession planning for the Board;
- 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).
- The Remuneration Committee of the Integrated Care Board will also link with other system partners' Remuneration Committees where there are joint roles or joint transformational responsibilities

6.2 Non-executive member's remuneration cannot be determined by the remuneration committee if this committee's membership is entirely non-executive board members. A separate remuneration panel for Non-executive remuneration will be convened in these circumstances.

7. Behaviours and Conduct

7.1 Benchmarking and guidance

7.1.1 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.

7.2 ICB values

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

7.2.2 Members of, and those attending, the Committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.

7.2.3 Members of the remuneration committee will be ethical, transparent and act in line with the Nolan Principles.

7.3 Equality diversity and inclusion

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

8. Accountability and reporting

8.1 The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

8.2 The minutes of the meetings shall be formally recorded by the secretary and a summary of these submitted to the Board.

8.3 The Remuneration Committee will submit a summary report to the Confidential Board following each of its meetings. Where reports identify individuals, they will not be made public and will be presented at part B of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

8.4 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.

9. Secretariat and Administration

9.1 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;
- 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.

10. Review

- 10.1 The Committee will review its effectiveness at every meeting as a standing agenda item and at least annually.

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.

Date of approval: 21st July 2022

Date of first review: December 2022