

Remuneration Committee Terms of Reference

Version:	BCCG/RC/v1
Date Agreed by Committee:	October 2020
Date Reviewed by Audit Committee:	22 October 2020
Date Approved by Governing Body:	3 November 2020
Review Date:	September 2021

**Remuneration Committee
Terms of Reference**

1. Introduction

- 1.1 The Remuneration Committee (“the Committee”) is established in accordance with Blackpool Clinical Commissioning Group’s (“the CCG”) 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.

2. Membership

- 2.1 The Committee shall be appointed by the CCG from amongst its Governing Body members and shall comprise of all of the CCG Lay Members, one of whom will be the Chairman of the Remuneration Committee.
- 2.2 The composition of the Committee shall be reported in the CCG Annual Report.

3. Quorum

- 3.1 A quorum shall be two Lay Members.

4. Attendance at Meetings

- 4.1 Other individuals such as the Accountable Officer will be invited to the meeting when consideration is being given to the remuneration of other officers/senior managers/staff employed by the CCG.
- 4.2 Individuals such as the HR Lead and external advisers may be invited to attend for all or part of any meeting as and when appropriate, however, should not be in attendance for discussions about their own remuneration and terms of service.

5. Frequency and Notice of Meetings

- 5.1 Meetings shall be held not less than once per year.

6. Remit and Responsibilities of the Committee

- 6.1 The Committee shall determine the pay and remuneration of employees of the CCG and allowances under any pension scheme it might establish as an alternative to the NHS Pension Scheme.
- 6.2 The Committee shall determine the remuneration and conditions of service of the senior team/staff.
- 6.3 The Committee shall review the performance of the Accountable Officer and other senior team members and determine annual salary awards, if appropriate.
- 6.4 The Committee shall consider the severance payments of the Accountable Officer and other senior staff, seeking HM Treasury approval as appropriate in accordance with latest guidance.
- 6.5 Any decisions to be made in respect of Lay Members’ remuneration and conditions of service will be delegated to the Accountable Officer, supported by the HR Advisor.

7. Relationships with the Governing Body

- 7.1 The minutes of Committee meetings will be issued to all members of the Committee within 10 working days of the meeting highlighting actions by individual members.
- 7.2 The Committee will report into the CCG Governing Body as appropriate.

8. Policy and Best Practice

- 8.1 The Committee shall comply with current disclosure requirements for remuneration.
- 8.2 The Committee may, on occasion, seek independent advice regarding remuneration for individuals.
- 8.3 The Committee will ensure that decisions are based on clear and transparent criteria.

9. Agenda

- 9.1 The agenda will be set by the Chairman. Papers tabled at the meeting will be at the discretion of the Chairman.

10. Secretary

- 10.1 The Secretary to the Governing Body will provide secretarial support to the Committee and will be responsible for supporting the Chairman in the management of remuneration business and for drawing the Committee's attention to best practice, national guidance and other relevant documents, as appropriate.

11. Conduct and Review of the Committee

- 11.1 The Committee shall conduct its business in accordance with national guidance and relevant codes of conduct/good governance practice, eg, Nolan Principles.
- 11.2 The performance, membership and terms of reference of the Committee shall be reviewed annually by members of the Committee. Any resulting changes to the Terms of Reference shall be approved by the CCG Governing Body.

CCG Principles of Remuneration

1. The following describes the principles of remuneration that guide the committee. They are based on NHS England guidance issued to CCGs in 2013.
2. CCGs may appoint persons to be employees as it considers appropriate and is able to pay its employees remuneration and travelling or other allowances in accordance with determinations made by its Governing Body, and employ them on such terms and conditions as it may determine.
3. NHS England has issued guidance to CCGs on remuneration based on the following key principles, which are informed by and consistent with the principles set out in the *Will Hutton 'Fair Pay Review'*:
 - Remuneration should fairly reward each individual's contribution to their organisation's success and should be sufficient to recruit, retain and motivate employees of sufficient calibre. However, organisations should be mindful of the need to avoid paying more than is necessary in order to ensure value for money in the use of public resources
 - Remuneration must be set through a process that is based on a consistent framework and independent decision-making based on accurate assessments of the weight of roles and individuals' performance in them
 - Remuneration should be determined through a fair and transparent process via bodies that are independent of the people whose pay is being set, and who are qualified or experienced in the field of remuneration. No individual should be involved in deciding his or her own pay
 - There should be appropriate delegated authority to CCG remuneration committees
 - Remuneration must be based on the principle of equal pay for work of equal value
4. CCGs must have a Remuneration Committee drawn from the CCG's Governing Body. In common with all public sector organisations and NHS bodies, the Remuneration Committee should bear in mind the need for properly defensible remuneration packages, which are linked to clear statements of responsibilities, and with rewards linked to the measurable discharge of those responsibilities.
5. CCG Remuneration Committees must at all times:
 - Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned
 - Maximise value for money through ensuring that services are delivered in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable
 - Be accountable to Parliament, to users of services, to individual citizens, and to staff for the activities of the bodies concerned, for their stewardship of public funds and the extent to which key performance targets and objectives have been met

Item 9 - Appendix 4

- Comply fully with the principles of the *Citizen's Charter* and the *Code of Practice on Access to Government Information*, in accordance with Government policy on openness
 - Bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate governance
6. The CCG's Remuneration Committee comprises of the four CCG Lay Members, who have agreed that the lay member with a lead role in overseeing key elements of financial management and audit will be the Chair of the Remuneration Committee. In all of their decisions, Remuneration Committees should also remain aware that each individual NHS organisation is corporately responsible for ensuring that its pay arrangements are appropriate in terms of Equal Pay requirements and other relevant legislation. No individuals should be present for discussions about their own remuneration, although it is reasonable for the Chief Clinical Officer and other Senior Managers where appropriate, to attend meetings of the Remuneration Committee during which the remuneration of other staff is discussed.