

Amendment to the Remuneration & Nominations Committee Terms of Reference

Agenda item 21 Paper 16	
Authors and contributors:	Vicky Francis, Governance Support Officer
Executive Lead(s):	Matthew Knight, Chief Finance Officer
Relevant Committees or forums that have already reviewed this issue:	Remuneration & Nominations Committee
Action required:	To agree
Attached:	Revised Terms of Reference of the Remuneration & Nominations Committee
CCG Strategic objectives relevant to this paper:	Core business: relevant to all / most objectives
Risk	No specific items on the risk register although there is a risk to the CCG's governance if Terms of Reference are not maintained.
Compliance observations:	Finance: No formal assessment required
	Engagement : Terms of Reference were developed through engagement with Member Practices
	Quality impact: No formal assessment required
	Equality impact: No formal assessment required
	Privacy impact: No formal assessment required
	Legal: No formal assessment required

EXECUTIVE SUMMARY

Revised Terms of Reference of the Committee

The Governing Body is asked to agree the addition of section 2.1.3 to the Terms of Reference of the Remuneration and Nominations Committee to include the GP Member of the Remuneration & Nominations Committee role in the membership of the Committee, as agreed at the meeting of the Committee held on 27th May 2016.

Date of paper

19th July 2016

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**Terms of Reference for the
Remuneration and Nominations Committee (the “Committee”)**

1. PURPOSE

- 1.1. The Committee is a committee of the Governing Body of Surrey Downs Clinical Commissioning Group (the “Governing Body”) and is appointed in accordance with the CCG’s Constitution.
- 1.2. Its purpose is to assist the Governing Body in the effective discharge of its responsibilities for corporate governance, remuneration and nomination decisions, recommendation of senior appointments and advice relating to strategic HR matters.
- 1.3. The Committee has no executive powers with regard to its recommendations. and does not relieve the executive officers of the CCG of their responsibilities for these matters.

2. MEMBERSHIP

- 2.1. The Committee will consist of a minimum of three members, as follows:
 - 2.1.1. the two Lay Members for Governance on the Governing Body, one of whom shall be the Chair of the Committee (“Committee Chair”);
 - 2.1.2. the CCG Clinical Chair;
 - 2.1.3. the GP Member of the Remuneration Committee and Equality & Diversity Lead.

- 2.2. If additional skills are required for the Committee to function effectively, then the Governing Body may appoint a further suitably qualified independent person to the Committee. Such a person must be a member of the Governing Body.
- 2.3. The Committee Chair, members, and the term of appointment of each member shall be determined by the Governing Body. Appointments will be made having due regard for the opinions of the CCG's Council of Members.
- 2.4. Members of the Committee will normally serve for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be eligible.
- 2.5. In attendance, but not members of the Committee shall be:
 - 2.5.1. the CCG's head of Human Resources.
- 2.6. The Committee may invite such other persons as it considers appropriate to attend all or part of any meeting of the Committee. Such persons may include the Chief Officer and/or any external advisers to the CCG.
- 2.7. The Committee may ask any or all of those who normally attend but who are not members to withdraw from a meeting at any time in order to facilitate frank and open discussion of particular matters.
- 2.8. In addition, any member of the Committee or other attendee whose terms of appointment are being discussed shall be excluded from the meeting for the duration of the discussion.
- 2.9. Committee members are expected to attend at least 75% of scheduled meetings in each financial year. Taking part in accordance with paragraph 3.5 below will count as attendance.

3. MEETINGS

- 3.1. The Committee shall meet at the call of its Chair, but not less than twice per annum, and at such other times as may be necessary at the request of its Chair, the Chair of the Governing Body or two or more members of the Governing Body.
- 3.2. The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.3. Meetings will be chaired by the Committee Chair or, in his/her absence, by the other Lay Member for Governance who is a member of the Committee.
- 3.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 3.5. Meetings may be held by conference call or by electronic means, so long as those present can hear each other and contribute simultaneously to the meeting.
- 3.6. In exceptional circumstances and as approved by the Governing Body, decisions of the Committee may be made by written resolution, signed by all members of the Committee.
- 3.7. Outside the formal meeting programme, the Committee Chair will maintain a regular dialogue with those primarily responsible for governance and human resources issues.

4. SECRETARY

4.1. The Governing Body Secretary (the “Secretary”) shall be the secretary to the Committee and will provide administrative support and advice. The duties of the Secretary in this regard include but are not limited to:

- 4.1.1. agreeing the agenda with the Committee Chair, together with the collation of connected papers;
- 4.1.2. preparing a schedule of meetings for the year to be published in advance and circulated to members and other interested parties;
- 4.1.3. taking or ensuring the taking of minutes and keeping a record of matters arising and issues to be carried forward;
- 4.1.4. advising the Committee as appropriate on best practice and national guidance in relation to the effective functioning of a committee of this nature; and
- 4.1.5. advising on the maintenance and development of an effective system of internal controls, including the risk management strategy, assurance framework and risk register.

5. MINUTES OF MEETINGS

- 5.1. The Secretary shall minute, or procure the taking of minutes of, the proceedings of all meetings of the Committee, including recording the names of those present and in attendance and any apologies.
- 5.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 5.3. Draft minutes of committee meetings shall be circulated promptly to the Committee Chair and, if required, to all the members of the Committee. Once approved, minutes should be circulated to all other members of the Governing Body unless it would be inappropriate to do so in the opinion of the Committee Chair.

6. ANNUAL COUNCIL OF MEMBERS' MEETING

- 6.1. The Committee Chair shall attend at least once a year a Council of Members' meeting prepared to respond to any member questions on the Committee's activities.

7. REPORTING RESPONSIBILITIES

- 7.1. The Committee will report to the Governing Body annually on its work:
- 7.2. The Committee Chair shall report formally to the Governing Body, on its proceedings after each meeting on all matters within its duties and responsibilities;
- 7.3. The Committee shall make whatever recommendations to the Governing Body it deems appropriate on any area within its remit where action or improvement is needed;

7.4. The Committee shall compile a report to the Governing Body and members on its activities to be included in the CCG's annual report. This will include any recommendations by the Committee to the Governing Body that were not approved, and the reasons for their non-acceptance.

8. AUTHORITY

8.1. The Committee is a non-executive committee of the Governing Body and has no powers, other than those specifically delegated in these terms of reference or conferred by legislation from time to time. The Committee is authorised:

- 8.1.1. to seek any information it requires from any employee of the CCG in order to perform its duties;
- 8.1.2. to obtain, at the CCG's expense, outside legal or other professional advice on any matter within its terms of reference. Before seeking any such advice, the Committee shall consult the Chief Financial Officer as to the cost of that advice and to the means of procuring it;
- 8.1.3. to call any employee to be questioned at a meeting of the Committee as and when required;
- 8.1.3. to form any working group, tasked for a specific purpose and for a fixed period of time, to support the delivery of any of its duties and responsibilities, or for relevant research; and
- 8.1.3. to advise or make recommendations to any other Committee.

9. OTHER MATTERS

9.1. The committee shall:

- 9.1.1. have access to sufficient resources in order to carry out its duties, including access to the CCG's secretariat for assistance as required;
- 9.1.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 9.1.3. give due consideration to all laws and regulations as appropriate;
- 9.1.4. have regard to the CCG's scheme of delegation when making any decision;
- 9.1.5. work closely with other committees of the Governing Body in discharging its delegated responsibilities;
- 9.1.6. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Governing Body for approval; and
- 9.1.7. act in accordance with the CCG's conflict of interest policy, in particular members shall state for the record any interest relating to any matter to be considered at each meeting. Members will be required to leave the meeting at the point a decision on such a matter is being made, after being allowed to comment at the Committee Chair's discretion.

10. REMIT AND RESPONSIBILITIES OF THE COMMITTEE

10.1. The Committee shall:

10.1.1. make recommendations to the Governing Body as to the remuneration, fees and allowances payable to employees of the CCG and other persons providing services to it (including members of the Governing Body and members of the Executive Management Team) including:

- (a) salary, including any performance-related pay or bonus;
- (b) provisions for other benefits, including pensions and cars;
- (c) allowances under any pension scheme the CCG might establish as an alternative to the NHS pension scheme; and
- (d) other allowances; and
- (e) termination payments;

10.1.2. make recommendations to the Governing Body in respect of all other:

- (a) terms and conditions of employment; and
- (b) terms of service

for Very Senior Managers of the CCG and their direct reports.

10.1.3. oversee compliance with relevant laws, regulations and policy, including:

- (a) national guidance;
- (b) the management running cost allowance;
- (c) benchmarked information of other Clinical Commissioning CCGs' costs;

- 10.1.4. upon request by the Executive Management Team offer advice on matters pertaining to other senior employees, either collectively or individually as members of the Committee;
- 10.1.5. monitor qualitative information such as the nature of complaints and grievances by staff and outcomes of exit interviews;
- 10.1.6. benchmark Governing Body and Executive remuneration against other CCGs, the NHS as a whole, and other industries;
- 10.1.7. review the long term talent management processes in the CCG;
- 10.1.8. oversee the appointment or election process for members of the Governing Body, and act as a screening panel for the clinical members of the Governing Body;
- 10.1.9. make recommendations as to membership, appointment, and terms of membership of the other committees of the Governing Body, as required by the Governing Body from time to time.

10.2. The Committee shall advise the Clinical Chair of the Governing Body on matters including:

- 10.2.1. ensuring that the Governing Body has the right balance of skills, knowledge and perspectives required for members of the Governing Body;
- 10.2.2. ensuring the Governing Body has the right diversity of gender, race and skills;

- 10.2.3. developing an approach to succession planning for key members of the Governing Body;
- 10.2.4. setting the terms of office for members of the Governing Body;
- 10.2.5. overseeing the performance review process for all members of the Governing Body including the Chair; and
- 10.2.6. arranging regular performance evaluation of the effectiveness of the Governing Body and its committees;
- 10.2.7. ensuring that there is adequate provision for the recruitment, retention and development of a viable workforce for the CCG as a whole;
- 10.2.8. monitoring performance statistics relating to the workforce such as sickness absence, recruitment and retention of staff, and staff satisfaction.