



Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board (BSW ICB):

Remuneration Committee – Terms of Reference (ToR)

Table of Contents

1.	Establishment.....	2
1.1	Terms of Reference:.....	2
1.2	Purpose.....	2
2.	Roles and responsibilities.....	2
2.1	Duties.....	2
2.1.3	Performance and evaluation.....	4
2.1.4	Succession Planning.....	4
2.1.5	ICB staff.....	5
2.1.6	Authority:.....	5
2.1.7	Delegation in the Scheme of Reservation & Delegation.....	6
2.2	Accountability and reporting.....	6
3.	Committee meetings.....	7
3.1	Composition and quoracy.....	7
3.2	Frequency and formats.....	8
3.3	Procedures.....	9
4.	Secretariat and administration.....	10
	Appendix I: Revision History.....	11

1. Establishment

The Remuneration Committee is a Committee established by the Integrated Care Board (ICB, the Board) in accordance with its Constitution and its Scheme of Reservation and Delegation (SoRD).

1.1 Terms of Reference:

Definition of terms: The Terms of Reference for the Committee are defined by the ICB.

Amendment: The terms of reference may be amended in accordance with the provisions in the Constitution and the SoRD.

Publication: The terms of reference must be published on the ICB website.

1.2 Purpose

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. In summary:

- **Set the ICB pay policy and frameworks:** Confirm the ICB Pay Policy including adoption of any pay frameworks for all employees including Board members, senior managers/directors and non-executive directors.
- **Approve executive remuneration and terms of employment:** Decide appropriate remuneration and terms of service for the Chief Executive and Executive Directors including all aspects of salary and provision for other benefits including pensions, arrangements for termination of employment, redundancy and other contractual terms.

2. Roles and responsibilities

This section describes the Committee's duties, authority, accountability and reporting.

2.1 Duties

In executing its duties, Committee members:

- Comply with Standing Orders, Standing Financial Instructions, ICB policies and the Scheme of Reservation and Delegation
- Take account of National Agreements, for example Agenda for Change, and guidance issued by the Government, the Department of Health, and the NHS
- Adhere to all relevant laws and regulations

The committee and its members are bound to uphold standards in public life, in accordance with the Nolan principles.

2.1.1 Board nomination and appointment

The Committee's duty is to assure the Board on:

- Nomination and appointments process
- Selection of candidates
- Eligibility requirements, disqualifications check
- Capability requirement
- Open advertising
- Conflict of interest
- Board profile review
- Compliance with legislation and regulation when selecting and appointing ICB Board members

Description	
Nominations and appointments processes	The formal procedures and processes for nominations and appointments of Board members are rigorous and transparent
Selection of candidates	Candidates from a wide range of backgrounds are considered and chosen on merit against objective criteria
Capability requirement	Descriptions of the roles and capabilities for Board positions are based on the skills, knowledge and experience and diversity required
Open advertising	Positions are openly advertised or the services of external advisers are used to facilitate the search for suitable candidates
Conflicts of interest	<p>The proposed candidates for Board appointments disclose any significant commitments and business interests potentially giving rise to a conflict of interest prior to their appointment</p> <p>Any relevant changes to their commitments and future business interests are reported to the Board as they arise</p>
Board profile review	<p>The Board's profile is regularly reviewed, including structure, size and composition (i.e. the skills, knowledge, experience and diversity), drawing on the output of the Board evaluation process</p> <p>Recommendations are made, when required</p>

2.1.2 Remuneration and terms of employment (ICB officers)

The Committee determines the broad remuneration policy and sets individual remuneration arrangements for executives and very senior managers in accordance with all relevant laws and regulations, NHS and Treasury policies and guidance.

Description	
Chief Officers' remuneration	<ul style="list-style-type: none"> • Agree a remuneration policy capable of attracting and retaining people of the quality and skills and experience required, whilst ensuring that remuneration levels are not higher than necessary by: • Considering all relevant directions relating to contractual benefits such as pay and redundancy entitlements • Using national guidance and market benchmarking analysis • Assuring against increases that cannot be justified by the Board or by individual performance • Showing sensitivity to pay and employment conditions elsewhere in the NHS

	<ul style="list-style-type: none"> Consulting the Chief Executive on the remuneration of the other Chief officers
Chief Officers' contractual arrangements	Oversee and advise on contractual arrangements for Chief Executive and Chief Officers, including termination payments, taking account of Treasury and national guidance on performance-related pay
Very senior managers remuneration and contractual arrangements	<p>Agree and review the remuneration policy for very senior managers in relation to:</p> <ul style="list-style-type: none"> The overall market positioning of the remuneration package Individual base salaries and increases Provisions for other benefits, including pensions and cars; Allowances Payable expenses Compensation payments Any annual and long-term incentive/bonus arrangements and the relevant targets for performance related schemes.

2.1.3 Performance and evaluation

Description	
Framework	Seeks assurance that a broad performance management framework is used for monitoring and evaluating performance for Chief Officers and Very senior managers
Performance:	<p>Oversees executive board member performance by</p> <ul style="list-style-type: none"> Considering the performance evaluation of individual Chief Officers when reviewing changes to remuneration levels Considering matters relevant to Chief Officers' continuation in post including any suspension or termination of their service as employees of the Trust, subject to the provisions of the law and their service contract

2.1.4 Succession Planning

Description	
Chief Executive and Executive Directors	Has oversight of succession planning for the Chief Executive and other Executive Directors, taking into account:

Description	
	<ul style="list-style-type: none"> • The leadership needs of the Board • Existing challenges risks and opportunities • The skills and expertise needed for the health economy in the future
Non-Executive Directors	Has oversight of succession planning for Non-Executive Directors
Senior leadership succession and development	Reviews the senior leadership succession and development plans
Appointment	Identifies and recommends appointment of candidates to fill posts for the ICB board and any other statutory ICB members as and when they arise.

2.1.5 ICB staff

Description	
Remuneration:	Determines the broad remuneration policy in accordance with all relevant laws and regulations, such as Agenda for Change NHS and Treasury policies and guidance
Other remuneration	Approve pensions, remuneration, fees and allowances (including severance packages and employee tribunal settlements) payable to employees and to other persons providing services to the ICB
Severance	Consider severance payments of the Chief Executive and other senior staff

2.1.6 Authority:

The ICB has delegated authority to the Remuneration Committee as set out in the SoRD, which may be amended in accordance with the ICB Constitution.

The committee is authorised to:	
Investigate	Investigate any activity within its terms of reference.
Seek information	Seek any information it requires within its remit, from any employee or member of the Board.
Commission reports	Commission and review reports required to help fulfil its obligations.

The committee is authorised to:

Obtain advice	Obtain independent professional advice and secure the attendance of advisors with relevant expertise to fulfil its functions. In doing so, the Committee must follow any procedures put in place by the ICB for obtaining professional advice.
Create Task & Finish Groups	<p>Create, with agreement of the ICB, task and finish sub-groups for specific programmes of work.</p> <p>Determine the terms of reference of task and finish sub-groups, in accordance with the Boards constitution, Standing Orders and SoRD – but no decisions may be delegated to these groups.</p>

2.1.7 Delegation in the Scheme of Reservation & Delegation

Decisions Delegated by the Scheme of Reservation & Delegation (SoRD)

- Undertake Board and committee effectiveness reviews, and agree actions in light of findings and recommendations
- Determine all aspects of remuneration and conditions of service of the Chief Executive, Executive Directors and other Very Senior Managers of the ICB
- Determine the remuneration, terms and conditions, and matters of succession planning of ICB Board members.
- Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change) for all ICB staff
- Determine the arrangements for termination payments and any special payments for staff

2.2 Accountability and reporting

The Committee is accountable to the Board and reports to the Board on how it discharges its responsibilities.

Accountabilities	Description
Draft minutes and reports	<ul style="list-style-type: none"> • The Secretary formally records the minutes of each meeting • The Chair of the Committee reports to the Board (public session) after each meeting and provides a report on assurances received, escalating any concerns, where necessary. Copies of minutes are circulated to all Committee members • Where minutes and reports identify individuals, they will not be made public. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay
Monitor attendance	<ul style="list-style-type: none"> • Attendance is monitored and profiled as part of the agenda at each Committee meeting • Members should aim to attend 100% of meetings and must attend at least 75% of meetings, and read all papers beforehand

Accountabilities	Description
Draft annual work plans	<ul style="list-style-type: none"> The Committee produces an annual work plan in consultation with the Board
Conduct annual self-assessment	<ul style="list-style-type: none"> The Committee undertakes an annual self-assessment of its performance against the annual plan and terms of reference Any resulting proposed changes to the terms of reference are submitted for approval by the Board
Annual Report	<ul style="list-style-type: none"> The Committee provides the Board with an Annual Report, timed to support finalisation of the accounts and the Governance Statement The report includes <ul style="list-style-type: none"> The governance cycle A summary of the business conducted, Frequency of meetings, membership attendance, and quoracy The committee's self-assessment

3. Committee meetings

This section sets out meeting:

- Composition and quoracy
- Frequency and formats
- Procedures

3.1 Composition and quoracy

This section sets out the meeting composition and quoracy requirements.

	Description of expectation
Chair	<p>An independent non-executive member of the Board appointed for their specific knowledge skills and experience and suitability.</p> <p>The Chair of the Board may be a member of the Committee but may not be appointed as the Chair.</p> <p>The Chair of the Audit Committee may not be a member of the Remuneration Committee</p>
Deputy Chair	<p>Committee members may appoint a Vice Chair from amongst the members.</p>
Absence of Chair or Vice Chair	<p>In the absence of the Chair, or Vice Chair, the remaining members present elects one of their number Chair the meeting.</p>
Membership	<ul style="list-style-type: none"> • Suzannah Power (ICB Non-Executive Director for People and Remuneration, Chair) • Stephanie Elsy (ICB Chair)

Description of expectation

- Julian Kirby (ICB Non-Executive Director Public and Community Engagement)
- Paul Miller (ICB Non-Executive for Finance)
- Prof Rory Shaw (Non-Executive Director for Quality & Performance)

Regular (non-voting) attendees:

- Sue Harriman (ICB Chief Executive Officer)
- Jas Sohal (Chief People Officer)

EDI: When determining the membership of the Committee, consideration will be given to diversity, equality and inclusion.

Attendees and procedure for absence

Only members of the Committee have the right to attend meetings, however other executive directors or senior officers of the ICB may be required to attend at the Committee's request.

The Chair and CEO of the ICB may attend any meeting to contribute and gain an understanding of the Committee's operations.

Procedure for absence:

Where a member or any attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

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.

Quoracy and Procedure for Inquoracy

Threshold: A minimum of three members.

Absence: Where members are unable to attend, they should ensure that a named and briefed deputy able to participate on their behalf attends in their place

Disqualification: If any member of the Committee is disqualified from participating in an item on the agenda, due to a declared conflict of interest, that individual no longer counts towards the quorum.

Inquoracy: If the meeting becomes inquorate, and if members agree, the meeting may continue but cannot take decisions. Any decisions in principle must be ratified at the next meeting of the Committee.

3.2 Frequency and formats

This section on Committee meetings describes the meeting frequency and formats.

Description of rules	
Meeting frequency	The Committee will meet at least twice a year. The Board, ICB 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.
Open vs closed	The Remuneration Committee meets in private.
Virtual meetings and extraordinary meetings	A meeting is constituted when members attend face-to-face, via telephone or video conferencing, any other electronic means, or through a combination of the above. Quoracy rules apply in any case. For the avoidance of doubt, this provision applies to and facilitates the Committee's decision making by email, should this be required to expedite an urgent decision.

3.3 Procedures

Procedure	Description of rules and expectations:
Agenda	The Chair is responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR. Members are expected to identify agenda items for consideration to the Chair and any meeting papers using the prescribed format at least 5 working days before the meeting.
Decision-making	Decisions: Decisions are taken in according with the Standing Orders and are normally arrived at by consensus. When this is not possible the Chair may call a vote. Virtual voting: If a decision cannot wait for the next scheduled meeting and an extraordinary meeting is not appropriate or possible, the Chair may conduct business on a 'virtual' basis through the use of telephone, email, or other electronic communication.
Voting	Eligibility: Only members of the Committee may vote. Each member is allowed one vote and a majority is conclusive on any matter. Exclusions: The ICB Chief People Officer and the Chief Executive may receive meeting documents but cannot participate in decision-making and must not vote. EDI: Members must demonstrably consider the equality, diversity, and inclusion implications of decisions they make Casting Vote: The chair may have a casting vote, if members are equally divided on an issue.

Procedure	Description of rules and expectations:
	Recording of votes: The result of the vote will be recorded in the minutes.
Conflicts of interest	<p>Declarations: All members, ex-officio members and those in attendance must declare any actual or potential conflicts of interest. This is recorded in the minutes.</p> <p>Exclusions: The Committee will follow and apply the ICB's Standards of Business Conduct with regards to the management of conflicts of interest. This means that the Chair will consider the exclusion of members and / or attendees from discussion and / or decision-making if individuals have a relevant material or perceived interest in a matter under consideration.</p>
Conduct	Meetings will be conducted in accordance with ICB's constitution and standing orders, national guidance, relevant code of conduct/good governance practise including the Nolan principles of public life

4. Secretariat and administration

This section describes the functions of the secretariat whose role is to support the Committee. A senior human resources professional will attend the Committee to provide expert advice on remuneration and the secretariat functions

Functions	Description
Distribute papers	Prepare and distribute the agenda and papers in accordance with the Standing Orders following their agreement by the Chair with the support of the relevant executive lead.
Monitor attendance	Monitor the attendance of those invited to each meeting and highlight to the Chair those that are not meeting the minimum attendance requirements.
Maintain records	Record conflicts of interest, members' appointments and renewal dates. Provide prompts to renew membership and to identify new members where necessary. Applies and implements records management per the ICB's policies.
Minute Taking	Take good quality minutes and agree them with the Chair. Keep a record of matters arising, action points and issues to be carried forward.
Support for Chair & Committee	<p>Support the Chair in preparing and delivering reports to the Board.</p> <p>Take forward action points between meetings and monitor progress against those actions.</p>
Provide updates	Update the Committee on pertinent issues/ areas of interest/ policy developments.

Functions	Description
Governance advice	Provide easy access to governance advice for committee members

Appendix I: Revision History

Version	Date	Approved by	Review	Type of changes
V1.0	1 July 2022	Board of ICB	Annually	Creation of ToR
V2.0	1 November 2022	Board of ICB	Interim	Review and revision of ToR

Document control

The controlled copy of this document is maintained by BSW ICB. Any copies of this document held outside of that area, in whatever format (e.g., paper, email attachment), are considered to have passed out of control and should be checked for currency and validity.

Review date: July 2023

Contact: bswicb.governance@nhs.net