



# Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB)

## Remuneration Committee – Terms of Reference (ToR)

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## 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:** The Terms of Reference for the Committee are defined by the Board.
- **Publication:** These terms of reference must be published in the Governance Handbook, which can be accessed on the Integrated Care Board website.
- **Review:** The terms of reference are reviewed annually, and more frequently if the need arises.
- **Amendment:** The Terms of Reference may be amended in accordance with the provisions in the Constitution and the SoRD.

### 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 executive 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.
- **Consider some issues in relation to all staff employed by the ICB**

## 2. Roles and responsibilities

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

### 2.1 Duties

The duties include providing oversight on

- Board nominations and appointments
- Executive remuneration policy
- Performance evaluation
- Succession planning
- ICB members and staff

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

## 2.1.1 Board nominations and appointments

The Committee seeks assurance on board nominations and appointments, and approves arrangements in line with the Constitution and SoRD:

Description	
<b>Nominations and appointments processes</b>	The formal procedures and processes for nominations and appointments of Board members are rigorous and transparent
<b>Selection of candidates</b>	Candidates from a wide range of backgrounds are considered and chosen on merit against objective criteria
<b>Capability requirements</b>	Descriptions of the roles and capabilities for Board positions are based on the skills, knowledge and experience and diversity required
<b>Open advertising</b>	Positions are openly advertised or the services of external advisers are used to facilitate the search for suitable candidates
<b>Conflicts of interest</b>	<ul style="list-style-type: none"><li>The proposed candidates for Chief Officers disclose any significant commitments and business interests potentially giving rise to a conflict of interest prior to their appointment</li></ul> <p>Any relevant changes to their commitments and future business interests are reported to the Board as they arise</p>
<b>Board profile review</b>	<ul style="list-style-type: none"><li>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</li><li>Recommendations are made, when required</li></ul>

## 2.1.2 Remuneration and terms of employment

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

Description	
<b>Chief Officers remuneration</b>	<p>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:</p> <ul style="list-style-type: none"><li>Considering all relevant directions relating to contractual benefits such as pay and redundancy entitlements</li><li>Using national guidance and market benchmarking analysis</li><li>Assuring against increases that cannot be justified by the Board or by individual performance</li><li>Showing sensitivity to pay and employment conditions elsewhere in the NHS</li></ul>

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

### 2.1.3 Performance evaluation

- **Framework:** Seeks assurance that a broad performance management framework is used for monitoring and evaluating performance for all ICB staff.
- **Performance:** Oversees executive board member performance by
  - 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

- Has oversight of succession planning for the Chief Executive and other Executive Directors, taking into account:
  - The leadership needs of the Board
  - Existing challenges risks and opportunities
  - The skills and expertise needed for the health economy in the future
- Reviews the senior leadership succession and development plans
- Identifies and appoints candidates to fill posts as and when they arise.

### 2.1.5 ICB Staff

- **Remuneration:** Determines the broad remuneration policy in accordance with all relevant laws and regulations, NHS and Treasury policies and guidance
- **Employer responsibilities:** Approves the arrangements for discharging the ICB's statutory responsibilities as an employer
- **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

- **Disciplinary arrangements:** Approve disciplinary arrangements for employees, including the CEO (where he/she is an employee or Member of the ICB) and for other persons working on behalf of the ICB
- **Severance:** Consider severance payments of the CEO and other senior staff

## 2.2 Authority

The Board has delegated authority to the Committee as set out in the Scheme of Reservation and Delegation and may be amended from time to time.

The Committee is authorised to:

Accountabilities	Description
<b>Investigate</b>	<ul style="list-style-type: none"> <li>• Investigate any activity within its terms of reference.</li> </ul>
<b>Seek information</b>	<ul style="list-style-type: none"> <li>• Seek any information it requires within its remit, from any employee or member of the Board.</li> </ul>
<b>Commission reports</b>	Commission reports it deems necessary to help fulfil its obligations.
<b>Obtain advice</b>	<ul style="list-style-type: none"> <li>• Obtain legal or other 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 Board for obtaining legal or professional advice.</li> </ul>
<b>Create Task &amp; Finish Groups</b>	<p>Create, with agreement of the ICB, task and finish sub-groups for specific programmes of work.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>

The decisions delegated to the Committee in the Scheme of Reservation and Delegation (SoRD) are:

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

- Set out the arrangements for appointments to the ICB, including approval of roles and recruitment processes
- Agree the arrangements for appointment processes, including approval of roles and recruitment processes
- Approve arrangements for identifying the ICB's proposed Accountable Officer
- Design and approve the arrangements for discharging the ICB's statutory duties as an employer
- Approve the terms and conditions, remuneration allowances for ICB members, including pensions and gratuities
- 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

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

- Approve disciplinary arrangements for employees, including the CEO (where he/she is an employee or Member of the ICB) and for other persons working on behalf of the ICB
- Consider severance payments of the CEO and other senior staff

### 2.3 Accountability and reporting

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

Accountabilities	Description
<b>Draft minutes &amp; reports</b>	<ul style="list-style-type: none"> <li>• The Secretary formally records the minutes of each meeting.</li> <li>• The Chair of the Committee reports to the Board (confidential 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.</li> </ul>
<b>Monitor attendance</b>	Members to aim to attend 100% of meetings. Members should attend a minimum of 75% of meetings and a register of attendance will be maintained by the secretariat. Attendance records will be published within the ICB annual reports.
<b>Draft annual work plan</b>	The Committee produces an annual work plan in consultation with the Board.
<b>Conduct annual self-assessment</b>	<ul style="list-style-type: none"> <li>• The Committee undertakes an annual self-assessment of its performance against the annual plan and terms of reference.</li> <li>• Any resulting proposed changes to the terms of reference are submitted for approval to the Board.</li> </ul>
<b>Annual Report</b>	<ul style="list-style-type: none"> <li>• The Committee provides the Board with an Annual Report, timed to support finalisation of the accounts and the Governance Statement.</li> <li>• The report includes               <ul style="list-style-type: none"> <li>– The governance cycle</li> <li>– A summary of the business conducted</li> <li>– Frequency of meetings, membership attendance, and quoracy</li> </ul> </li> <li>• The Committee's self-assessment</li> </ul>

### 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.

Arrangement	Description of expectation
<b>Chair</b>	<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>
<b>Deputy Chair</b>	<p>Committee members may appoint a Vice Chair from amongst the members.</p>
<b>Absence of Chair or Vice Chair</b>	<ul style="list-style-type: none"><li>• In the absence of the Chair, or Vice Chair, the remaining members present elects one of their number Chair the meeting.</li></ul>
<b>Membership</b>	<ul style="list-style-type: none"><li>• Membership is:<ul style="list-style-type: none"><li>– ICB Board Non-Executive Director (Committee Chair)</li><li>– All ICB Board Non-Executive Directors</li><li>– Chief People Officer of the ICB</li></ul></li></ul> <p><b>EDI:</b> When determining the membership of the Committee, consideration will be given to diversity and equality.</p>
<b>Attendees and procedure for absence</b>	<p>Only members of the Committee have the right to attend Committee meetings.</p> <p>All meetings of the Committee may also be attended by the following individuals who are not members of the Committee:</p> <ul style="list-style-type: none"><li>• Chief Executive or their nominated deputy</li></ul> <p><b>Exclusion:</b> No individual should be present during any discussion relating to:</p> <ul style="list-style-type: none"><li>• Any aspect of their own pay</li><li>• Any aspect of the pay of others when it has an impact on them</li></ul> <p><b>Procedure for absence:</b></p> <p>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.</p>

Arrangement	Description of expectation
	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.
<b>Quoracy and Procedure for Inquoracy</b>	<p><b>Threshold:</b> A minimum of three Non-Executive Members</p> <p><b>Absence:</b> Where members are unable to attend, they should ensure that a named and briefed deputy is in attendance who is able to participate on their behalf.</p> <p><b>Disqualification:</b> If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.</p> <p><b>Inquoracy:</b> If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.</p>

### 3.2 Frequency and formats

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

Procedure	Description of rules
<b>Meeting frequency</b>	<p>The Committee will meet <u>at least twice a year</u> and notice for calling meetings are set out on in the Standing Orders.</p> <p>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.</p>
<b>Public vs Closed</b>	The Remuneration Committee meets in private.
<b>Virtual meetings and extra-ordinary meetings</b>	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.

### 3.3 Procedures

Procedure	Description of rules and expectations:
<b>Agenda</b>	<p>The Chair is responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.</p> <p>Members are expected to identify agenda items for consideration to the Chair and any meeting papers using the prescribed format at least <u>5 working days</u> before the meeting.</p>
<b>Conflicts of interest</b>	<b>Declarations:</b> All members, ex-officio members and those in attendance must declare any actual or potential conflicts of interest. This is recorded in the minutes.



<b>Procedure</b>	<p>Description of rules and expectations:</p> <p><b>Exclusions:</b> Anyone with a relevant or material interest in a matter under consideration may be excluded from the discussion at the discretion of the Committee Chair.</p>
<b>Decision-making</b>	<p><b>Decisions:</b> Decisions are taken in accordance with the Standing Orders and are normally arrived at by consensus. When this is not possible the Chair may call a vote.</p>
<b>Voting</b>	<p><b>Eligibility:</b> Only members of the Committee may vote. Each member is allowed one vote and a majority is conclusive on any matter.</p> <p><b>Casting Vote:</b> The chair may have a casting vote, if members are equally divided on an issue.</p> <p><b>Recording of votes:</b> The result of the vote will be recorded in the minutes.</p> <p><b>Virtual voting:</b> 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.</p>

#### 4. Secretariat and administration

A senior human resources professional will attend the Committee to provide expert advice on remuneration and the secretariat functions, including the following:

Functions	Description
<b>Distribute papers</b>	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.
<b>Monitor attendance</b>	Monitor the attendance of those invited to each meeting and highlight to the Chair those that do not meet the minimum requirements.
<b>Maintain records</b>	For example, conflicts of interest and members' appointments and renewal dates. Provide prompts to renew membership and identify new members where necessary.
<b>Minute Taking</b>	Take good quality minutes and agree them with the Chair. Keep a record of matters arising, action points and issues to be carried forward.
<b>Support for Chair &amp; Committee</b>	<p>The Chair is supported to prepare and deliver reports to the Board.</p> <p>Take forward action points between meetings and monitor progress against those actions.</p>
<b>Provide updates</b>	Update the Committee on pertinent issues/ areas of interest/ policy developments.

## Appendix I: Revision History

Version	Date	Approved by	Review	Type of changes
V1.0	1 July 2022	Board of ICB	Annually	Creation of ToR

### Document control

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