

NHS West Yorkshire Integrated Care Board

Remuneration and Nomination Committee

Terms of Reference

Version control

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Change history

Version number	Changes applied	By	Date
1.0		Approved by the Board	01.07.22
1.1	Annual review	Laura Ellis, Director of Corporate Affairs	26.04.23
1.2	Comments from Remuneration and Nomination Committee on 2 May 2023	Laura Ellis	02.05.23
2.0		Approved by the Board	16.05.23
2.1	Amended quoracy arrangements to allow Chair of ICB to be included in minimum quoracy arrangements and to clarify Chair of Audit Ctte role	Laura Ellis	26.10.23
3.0		Approved by the Board (under urgent decision process)	07.11.23
3.1	Annual review	Laura Ellis, Director of Corporate Affairs	13.06.24
4.0	Annual review following end of year effectiveness self-assessment	Approved by Board	25.06.2024

1. Introduction

- 1.1 The Remuneration and Nomination Committee ‘the Committee’ is established as a committee of the NHS West Yorkshire Integrated Care Board (ICB), in accordance with the ICB’s Constitution, Standing Orders and Scheme of Reservation and Delegation.
- 1.2 These terms of reference, which must be published on the ICB website, set out the remit, responsibilities, membership and reporting arrangements of this Committee and may only be changed with the approval of the ICB Board. The Committee has no executive powers, other than those specifically delegated from the ICB in these terms of reference.
- 1.3 The ICB is part of the West Yorkshire Integrated Care System (ICS) which has four core purposes:
- improve outcomes in population health and healthcare;
 - tackle inequalities in outcomes, experience and access;
 - enhance productivity and value for money; and
 - help the NHS to support broader social and economic development.
- 1.4 The ICS has identified a set of guiding principles that shape everything we do in collaboration:
- We will be ambitious for the people we serve and the staff we employ.
 - The West Yorkshire Health & Care Partnership belongs to its citizens and to commissioners and providers, councils, the NHS and voluntary, community and social enterprises. We will build constructive relationships with communities, groups and organisations to tackle the wide range of issues which have an impact on health inequalities and people’s health and wellbeing.
 - We will do the work once – duplication of systems, processes and work should be avoided as wasteful and potential source of conflict.
 - We will undertake shared analysis of problems and issues as the basis of taking action.
 - We will apply subsidiarity principles in all that we do – with work taking place at the appropriate level and as near to local as possible.

The ICS has committed to behave consistently as leaders and colleagues in ways which model and promote our Partnership’s shared values:

- We are leaders of our organisation, our place and of West Yorkshire.
- We support each other and work collaboratively.
- We act with honesty and integrity, and trust each other to do the same.
- We challenge constructively when we need to.

- We assume good intentions; and
- We will implement our shared priorities and decisions, holding each other mutually accountable for delivery.

2. Purpose, role and responsibilities

- 2.1 The Committee is accountable to the Board for matters relating to remuneration, fees and other allowances (including pension schemes) for employees and other individuals who provide services to the ICB.
- 2.2 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:
- Confirm the ICB Pay Policy, such as the adoption of any pay frameworks for all employees, including senior managers/directors (including ICB members) and non-executive members, excluding the Chair and Chief Executive¹.
- 2.3 The Committee shall make arrangements to pay ICB Board members and employees such remuneration and allowances as it may determine, aligning ICB remuneration with that of NHS partners in the West Yorkshire Health & Care Partnership whilst adhering to NHS England guidance and policy. The ICB will adopt the national pay frameworks of NHS Agenda for Change and NHS Medical and Dental for the majority of staff.
- 2.4 Its responsibilities are:

For Directors and other Very Senior Managers:

1. Determine all aspects of remuneration including, but not limited to salary, (including any performance-related elements) bonuses, pensions and cars;
2. Determine arrangements for termination of employment and other contractual terms and non-contractual terms.

For all staff:

3. Oversee contractual arrangements.

¹ The remuneration of the ICB Chair and Chief Executive is out of scope of the Committee as it has been set by the NHS England Remuneration Committee.

4. 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.

For other members of the board and for members of committees or sub-committees of the ICB who are not members of the board

5. Set remuneration and allowances.

For individuals not on a national pay framework

6. Set remuneration and allowances.

Nomination

7. Ensure the adoption of policies for recruitment and nomination that are in line with best practice and legislation.
8. Ensure that processes for the recruitment and appointment of employees and members of the Integrated Care Board are delivered in line with policy in a rigorous and transparent manner. This includes effective succession planning and ensuring that processes take account of equality, diversity and inclusion at each stage and have regard to the ICB's commitment to improve the diversity of its leadership.

Other duties

9. Ensure oversight of the performance of the Chief Executive, Directors and other Very Senior Managers.
10. Provide assurance on ICB statutory duties relating to people, including compliance with the Fit and Proper Person Regulation (FPPR) and consideration of an annual FPPR summary.
11. Review and approve the ICB's suite of employment policies, under delegation from the ICB Board.

3. Membership and attendance

3.1 The membership will comprise:

- **Chair** - Non-Executive Member of the ICB;
- Two further Non-Executive Members of the ICB; one of whom the members will appoint as Vice-Chair;
- The Chair of the ICB;

- Two members of NHS partner organisations, co-opted by the committee on account of their qualifications, expertise or experience on NHS remuneration and nomination matters. When a vacancy arises, expressions of interest shall be sought from suitably qualified members.

Attendees

Only members of the Committee have the right to attend Committee meetings, but the Committee Chair may invite relevant staff to the meeting as necessary in accordance with the business of the Committee.

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. Those attendees are as follows:

- The ICB's most senior HR Advisor or their nominated deputy
- Director of Finance or their nominated deputy
- Chief Executive or their nominated deputy
- Director of Corporate Affairs or their nominated deputy
- Non-Executive Member Chair of the Audit Committee
- ICB member with relevant expertise and skills
- Member of the Health & Care Partnership with relevant expertise and skills

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 confidential or sensitive matters.

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.

4. Arrangements for the conduct of business

Chairing meetings

- 4.1 The meetings will be run by the Chair. In the event of the Chair of the committee being unable to attend all or part of the meeting, the Vice-Chair shall chair the meeting. When the remuneration of non-executive members is being considered, eligible members shall agree a Chair for that part of the meeting.

Quoracy

- 4.2 No business shall be transacted unless at least two from the non-executive members/ICB Chair are present. When the remuneration of non-executive members is being considered, the quorum shall be at least 1 co-opted member and the ICB Chair.
- 4.3 For the sake of clarity:
- a) No person can act in more than one capacity when determining the quorum.
 - b) An individual who has been disqualified from participating in a discussion on any matter and/or from voting on any motion by reason of a declaration of a conflict of interest, shall no longer count towards the quorum.
- 4.4 Members of the Committee may participate in meetings by telephone, video or by other electronic means where they are available and with the prior agreement of the Committee Chair. Participation by any of these means shall be deemed to constitute presence in person at the meeting. Members are normally expected to attend at least 75% of meetings during the year.

Decision making and voting

- 4.5 Decisions will be guided by national NHS policy and recognised 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.
- 4.6 In line with the ICB's Standing Orders, it is expected that decisions will be reached by consensus. Should this not be possible, each voting member of the Committee will have one vote, the process for which is set out below:
- a. All members of the Committee who are present at the meeting will be eligible to cast one vote each. (For the sake of clarity, members of the committee are set out at paragraph 3.1; attendees and observers do not have voting rights.)
 - b. Absent members may not vote by proxy. Absence is defined as not being present at the time of the vote, but this does not preclude anyone attending by teleconference or other virtual mechanism from exercising their right to vote if eligible to do so.

- c. A resolution will be passed if more votes are cast for the resolution than against it.
- d. If an equal number of votes are cast for and against a resolution, then the Committee Chair (or in their absence, the person presiding over the meeting) will have a second and casting vote.

Should a vote be taken, the outcome of the vote, and any dissenting views, must be recorded in the minutes of the meeting.

Frequency of meetings

- 4.7 The Committee will meet in private at least twice a year. Arrangements and notice for meetings are set out in the Standing Orders. The Committee Chair may call an additional meeting at any time by giving not less than 14 calendar days' notice in writing to members of the Committee.
- 4.8 One third of the members of the Committee may request the Committee Chair to convene a meeting by notice in writing, specifying the matters which they wish to be considered at the meeting, If the Chair refuses, or fails, to call a meeting within seven calendar days of such a request being presented, the Committee members signing the requisition may call a meeting by giving not less than 14 calendar days' notice in writing to all members of the Committee specifying the matters to be considered at the meeting.
- 4.9 In emergency situations the Committee Chair may call a meeting with two days' notice by setting out the reason for the urgency and the decision to be taken.

Urgent decisions

- 4.10 In the case of urgent decisions and extraordinary circumstances, every attempt will be made for the Committee to meet virtually. Where this is not possible the following will apply:
 - a) The powers which are delegated to the Committee, may for an urgent decision be exercised by the Chair of the Committee and another non-executive member.
 - b) The exercise of such powers shall be reported to the next formal meeting of the Committee for formal ratification, where the Committee Chair will explain the reason for the action taken, and the ICB Audit Committee for oversight.

Declarations of interest

4.11 If any member has an interest, financial or otherwise, in any matter and is present at the meeting at which the matter is under discussion, they will declare that interest as early as possible and act in accordance with the ICB's Conflicts of Interests Policy. Subject to any previously agreed arrangements for managing a conflict of interest, the Chair of the meeting will determine how a conflict of interest should be managed. The Chair of the meeting may require the individual to withdraw from the meeting or part of it. The individual must comply with these arrangements which must be recorded in the minutes of the meeting.

Support to the Committee

4.12 The Committee's lead director is the Director of Corporate Affairs and lead manager is Associate Director of People. Administrative support will be provided to the Committee by officers of the ICB. This will include

- Agreement of the agenda with the Committee Chair in consultation with the Lead Director, taking minutes of the meetings, keeping an accurate record of attendance, key points of the discussion, matters arising and issues to be carried forward.
- The maintenance of an on-going list of actions, specifying members responsible, due dates and keeping track of these actions.
- The circulation of agendas and supporting papers to members one week before the meeting.
- The drafting of minutes for quality checking by the relevant lead officer within ten working days of the meeting, before sending to the relevant Lead Director and Chair for review within a further five working days. The draft minutes will be distributed to all members and attendees of the meeting, following review by the Chair, within one calendar month of the meeting.
- The updating and maintenance of an annual work plan.

5. Authority

5.1 The Committee is authorised to investigate any activity within its terms of reference. It is authorised to seek any information it requires within its remit, from any employee of the ICB and they are directed to co-operate with any such request made by the Committee.

5.2 The Committee is authorised to commission any reports or surveys it deems necessary to help it fulfil its obligations.

- 5.3 The Committee is authorised to obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary. In doing, so, the Committee must follow procedures put in place by the ICB for obtaining legal or professional advice.
- 5.4 The Committee is authorised to create sub-committees or working groups as are necessary to fulfil its responsibilities within its terms of reference. The Committee may not delegate executive powers delegated to it within these terms of reference (unless expressly authorised by the ICB Board) and remains accountable for the work of any such group.

6. Reporting

- 6.1 The Committee shall submit a summary to the next formal ICB Board meeting in public.
- 6.2 The Committee shall submit a decision notice of their meeting to the next formal ICB Board meeting in private.
- 6.3 The Committee Chair shall draw to the attention of the ICB Board any significant issues or risks relevant to the ICB.
- 6.4 The Committee summary will be published on the ICB website once ratified.
- 6.5 The Committee shall submit an annual report to the ICB Audit Committee and the ICB Board.
- 6.6 The Committee will receive for information the minutes of other meetings which are captured in the Committee work plan e.g. sub-committees.

7. Conduct of the committee

- 7.1 All members will have due regard to and operate within the Constitution of the ICB, standing orders, standing financial instructions and other financial procedures.
- 7.2 Members must demonstrably consider the equality and diversity implications of decisions they make and consider whether any new resource allocation achieves positive change around inclusion, equality and diversity.
- 7.3 Members of the Committee will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.
- 7.4 The Committee shall agree an Annual Work Plan with the ICB Board.
- 7.5 The Committee shall undertake an annual self-assessment of its own performance against the annual plan, membership and terms of reference.

This self-assessment shall form the basis of the annual report from the Committee.

- 7.6 Any resulting changes to the terms of reference shall be submitted for approval by the ICB Board.