

# Lancashire and South Cumbria Integrated Care Board

## Remuneration Committee

### Terms of Reference

#### 1. CONSTITUTION

- 1.1. The Remuneration Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.
- 1.2. These terms of reference, which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.
- 1.3. The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

#### 2. AUTHORITY

- 2.1. The Remuneration Committee is authorised by the Board to:
  - Investigate any activity within its terms of reference;
  - Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the committee) within its remit as outlined in these terms of reference;
  - Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the committee must follow any procedures put in place by the ICB for obtaining legal or professional advice;
  - Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's constitution, standing orders and SoRD but may /not delegate any decisions to such groups.
- 2.2. For the avoidance of doubt, in the event of any conflict, the ICB Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation will prevail over these terms of reference other than the committee being permitted to meet in private.

#### 3. PURPOSE

- 3.1. The Committee's main purpose is to exercise the functions of the ICB relating to paragraphs 18 to 20 of Schedule 1B to the NHS Act 2006. In summary:
  - Confirm the ICB Pay Policy including adoption of any pay frameworks for

all employees including senior managers/directors (including board members) but excluding the Chair and Non-Executive Members of the board.

- NHS England will determine remuneration of the Chair, and where matters are discussed relating to Non-Executive Members of the ICB, a Remuneration Panel will be established and will be convened under its own Terms of Reference. This is to ensure that no individual is involved in discussions or decisions about their own remuneration.

**3.2.** The Board has also delegated the following functions to the Committee:

- Elements of the nominations and appointments process for Board members;
- Oversight of executive directors performance and appraisal

## **4. MEMBERSHIP AND ATTENDANCE**

### **4.1. Membership**

- The Committee members shall be appointed by the Board in accordance with the ICB Constitution.
- The Board will appoint no fewer than three members of the Committee including two independent members of the Board. Other members of the Committee need not be members of the board, but they may be.
- The Chair of the Audit Committee may not be a member of the Remuneration Committee.
- The Chair of the Board may be a member of the Committee but may not be appointed as the Chair.
- When determining the membership of the Committee, active consideration will be made to diversity and equality.

### **4.2. Chair and Vice Chair**

- In accordance with the constitution, the Committee will be chaired by a non-executive member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.
- Committee members may appoint a Vice Chair from amongst the members.
- In the absence of the Chair, or Vice Chair, the remaining members present shall elect one of their number Chair the meeting.
- The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

### **4.3. Members**

**4.3.1.** The membership of the committee will be three members:

- Three ICB Non-Executive Members (one of whom will be the chair and one of whom will be the vice chair)

### **4.4. Attendees**

**4.4.1.** The ICB Chair will be in attendance

**4.5.** The Chair of the committee may invite relevant staff to the meeting as necessary in accordance with the business of the Committee.

**4.6.** 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:

- The ICB's most senior HR Advisor or their nominated deputy
- Director of Finance or their nominated deputy
- Chief Executive or their nominated deputy

**4.7.** 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.

**4.8.** 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.

## **5. MEETINGS QUORACY AND DECISIONS**

**5.1.** The Committee will meet in private.

**5.2.** The Committee will meet at least twice each year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

**5.3.** 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.

**5.4.** 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.

### **5.5. Quorum**

**5.5.1.** For a meeting to be quorate a minimum of two members is required, including the Chair or Vice Chair.

**5.5.2.** If any member of the Committee has been disqualified from participating on item in the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

**5.5.3.** If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

**5.5.4.** If a decision is required with regards to any aspect of remuneration for non-executive members, then the arrangements for a Remuneration Panel, as set out in section 3 will take effect.

### **5.6. Decision making and voting**

**5.6.1.** Decisions will be guided by national NHS policy and 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.

**5.6.2.** Decisions will be taken in accordance with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

**5.6.3.** Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

**5.6.4.** Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.

## **6. RESPONSIBILITIES OF THE COMMITTEE**

### **6.1. The Committee's duties are as follows:**

**6.1.1.** For the Chief Executive, Directors and other Very Senior Managers:

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

**6.1.2.** For all staff:

- Determine the ICB pay policy (including the adoption of pay frameworks such as Agenda for Change);
- Oversee contractual arrangements;
- 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.

### **6.2. Additional functions in the scope of the committee include:**

- Functions in relation to nomination and appointment of all Board members;
- Oversight of executive directors performance and appraisal;
- Succession planning for the Board;
- Assurance in relation to ICB statutory duties relating to people such as compliance with employment legislation including such as Fit and proper person regulation (FPPR)
- Review and approval of ICB HR policies

## **7. BEHAVIOURS AND CONDUCT**

### **7.1. Benchmarking and guidance**

**7.1.1.** The Committee will take proper account of National Agreements and appropriate benchmarking, for example Agenda for Change and guidance issued by the Government, the Department of Health and Social Care, NHS England and the wider NHS in reaching their determinations.

## **7.2. ICB values**

**7.2.1.** Members will be expected to conduct business in line with the ICB values and objectives and the principles set out by the ICB.

**7.2.2.** Members of, and those attending, the Committee shall behave in accordance with the ICB's constitution, Standing Orders, and Standards of Business Conduct Policy.

## **7.3. Equality diversity and inclusion**

**7.3.1.** Members must demonstrably consider the equality, diversity and inclusion implications of decisions they make.

## **8. ACCOUNTABILITY AND REPORTING**

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

**8.2.** The minutes of the meetings shall be formally recorded by the secretary.

**8.3.** . Where minutes and reports identify individuals, they will not be made public and will be presented at part B of the Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

**8.4.** The Committee will provide the Board with an Annual Report. The report will summarise its conclusions from the work it has done during the year.

## **9. SECRETARIAT AND ADMINISTRATION**

**9.1.** The Committee shall be supported with a secretariat function. Which will include ensuring that:

- 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;
- Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary;
- Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept;
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- The minutes of the meeting are issued to all members of the Committee within 10 working days of the meeting, highlighting actions by individual members;
- The Chair is supported to prepare and deliver reports to the Board;
- The Committee is updated on pertinent issues/ areas of interest/ policy developments; and
- Action points are taken forward between meetings.

## **10. REVIEW**

**10.1.** The Committee will review its effectiveness at least annually.

**10.2.** These terms of reference will be reviewed at least annually and earlier if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

Date of approval: 19 March 2025

Date of review: 19 March 2026