

Remuneration and Organisational Development Committee

Terms of Reference

Introduction

The remuneration and organisational development committee (the committee) is established in accordance with Walsall clinical commissioning group's constitution, standing orders and scheme of delegation. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the committee and shall have effect as if incorporated into the clinical commissioning group's constitution and standing orders.

Purpose

The purpose of the Committee is to approve the appropriate remuneration and terms of service for the employees of the clinical commissioning group and people who provide service to the clinical commissioning group. This will include any allowances under any pension scheme it might establish as an alternative to the NHS pension scheme having proper regard to the organisation's circumstances and performance and to the provisions of any national agreements and NHS England guidance where appropriate. The organisation development purpose is to be fundamental in the driving forward of the OD agenda, particularly by bringing in experience and expertise of non-executive directors to the consideration of our organisational culture, memory and strategic goals.

Authority

The committee has delegated authority to make decision on behalf of the governing Body as defined by the Scheme of Reservation and Delegation. The Committee will apply best practice to the decision making process. The actions of the committee must be publically defensible and appropriate in terms of Equal Pay requirements and other relevant legislation. When considering remuneration the Committee will:

- I. Comply with disclosure requirements regarding Conflicts of Interests¹ and will adhere to the Walsall CCG Conflicts of Interest policy
- II. On occasion seek independent advice about remuneration for individuals.
- III. Ensure that decisions are based on clear and transparent procedures.^{2,3}
- IV. Ensure the reputation of the CCG is not compromised

¹ Walsall CCG Code of Conduct and Conflict of Interest Policy Section 6.2 II a,b, and Section 14 .1 and 14.2

² Walsall CCG Constitution Principles of Good Governance application of the Nolan Principles www.publicappointmentscommissioner.org/

³ Walsall CCG Constitution section 5.3 The values of Walsall CCG

The Committee will have the full authority to commission any reports or surveys it deems necessary to help fulfil its obligations.

Membership

The Committee will comprise of all Lay members and the Clinical Chair of the Governing Body.

The lay member for Audit and Governance will Chair the committee

The lay member for Commissioning will be vice Chair of the committee

When items relating to the lay members are discussed and they are consequently not able to be present the clinical chair will act as chair of the committee

A GP Governing Body member will be co-opted onto the committee when neither lay member is able to be present due to the management of any conflicts of interest

The Accountable Officer, Chief Finance Officer and Directors must not be present for discussions about their own remuneration and terms of service, but should attend meetings of the committee to provide technical and professional advice. Other members of the clinical commissioning group may be requested to be present to advice on specific roles as necessary.

Full time employees or individuals who claim a significant proportion of their income from the CCG are not eligible to be members of the Remuneration Committee.

Each Member shall be entitled to cast one vote. All questions arising will be decided by a simple majority of those present and eligible to vote. In the case of equality of votes, the Chair will have a second and casting vote.

No member or attendee shall participate in any discussion or decision on their own remuneration

Due to the complexity of the agenda and the potential conflicts of interest the table below shows the membership and attendees of each part of the committee's remit

Role	Membership
Lay Member (Audit & Governance)	Chair of Committee Member of both Remuneration and OD
Lay Member (Commissioning and Transformation)	Vice Chair of Committee Member of both Remuneration and OD
Lay Member (PPI)	Member of both Remuneration and OD
CCG Clinical Chair	Member of both Remuneration and OD
Head of HR and OD (not employed)	Member of both Remuneration and OD
Head of Governance	Attendee of Remuneration

	Member of OD
Chief Officer	Member of OD Attendee at Remuneration
Chair of Staff Council	Member of OD
Head of Communications and Engagement	Member of OD
HR Business Partner	Attendee of OD

Quorum

3 members one either being the Chair or Vice Chair.

Frequency of meetings

The Committee will meet bi-monthly.

The Committee reserves the right to call a meeting at any time (with appropriate notice) if an urgent matter arises. Where urgent matters need to be decided, these can be made by the Chair of the Remuneration Committee and Lay Members as quorum. All such actions will be reported back to the full Committee at its next meeting and included in the minutes. Any member of the Committee may request to see the full report and/or information that were considered when the decision was made.

Reporting arrangements

The Committee will report to the Governing Body

The Chair of the committee will provide the governing body will regular assurance reports on the activity of the committee whilst retaining confidentiality on the detail of individual salary decisions as appropriate.

The Governing Body should formally agree and record in the minutes of its meetings the Remuneration Committee’s precise terms of reference including specifying which posts fall within its areas of responsibility. The committee will approve the remuneration report for the annual report ensuring compliance with NHS England guidance

Distribution of Papers

Minutes will be distributed to Committee members only.

The minutes of this Committee are classed as confidential under the Freedom of Information Act.

Agenda Items

All agenda items are to be submitted at least 10 working days prior to the meeting and papers will be circulated at least 5 working days prior to the meeting.

Functions

The Remuneration element of the Committee will consider all aspects of salary (including any performance-related elements/bonuses and any allowances), provisions for other benefits including pensions and cars, as well as arrangements for termination of employment and other contractual terms. Specifically:

- I. To approve the remuneration, allowances and terms of service for the employees of the clinical commissioning group and people who provide service to the clinical commissioning group to ensure they are fairly rewarded for their individual contribution to the organisation – having proper regard to the organisation's circumstances and performance and to the provisions of any national arrangements where appropriate, including:
 - i. Any aspects of salary (including any performance related aspects/bonuses)
 - ii. Payments for additional responsibilities
 - iii. Provisions for other benefits
 - iv. Conditions of service
 - v. Monitoring and evaluating performance
 - vi. Arrangements for termination of employment and other contractual terms
- II. The Committee shall at all times be mindful of the Pay Framework for Very Senior Managers and the process for making severance payments to senior managers as published by the Department of Health.
- III. To approve the design of, and determine targets for, any performance related pay schemes operated by the CCG and approve the total annual payments made under such schemes.
- IV. To determine any ad hoc arrangements relating to pension arrangements for each Executive Director and other senior executives.
- V. To ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.
- VI. To review plans produced by the Accountable Officer which set out appropriate succession planning for Directors and other senior executive officers, taking into account the challenges and opportunities facing the CCG, and what skills and expertise are therefore needed on the Board in the future.
- VII. To identify CCG Board members qualified to sit on Committees of the CCG Board and to recommend that the CCG Board appoint the identified member or members to the respective committees. In nominating a candidate for committee membership, the Committee shall take into consideration the

factors set out in the Terms of Reference of the relevant committee.

- VIII. Approve any proposed remuneration for individual Governing Body Members for specific work in addition to their corporate CCG role, so as to ensure that the individual is fairly rewarded for their individual contribution to the CCG while having proper regard to the CCG's circumstances and performance, and to the requirements of fair and open tendering or recruitment policies.
- IX. Approve pensions, remuneration, fees and allowances payable to employees and to other persons providing services to the group
- X. Approve the terms and conditions, remuneration and travelling or other allowances for governing body members, including pensions and gratuities
- XI. Approve terms and conditions of employment for all employees of the group including, pensions, remuneration, fees and travelling or other allowances payable to employees and to other persons providing services to the group
- XII. Approve any other terms and conditions of services for the group's employees
- XIII. Determine the terms and conditions of employment for all employees of the group
- XIV. Approve all Human Resource policies that support the employment terms and conditions
- XV. Determine pensions, remuneration, fees and allowances payable to employees and to other persons providing services to the group

The Organisational Development element of the Committee will consider all aspects of salary (including any performance-related elements/bonuses and any allowances), provisions for other benefits including pensions and cars, as well as arrangements for termination of employment and other contractual terms. Specifically:

- i. Oversee the development and delivery of the organisational development plan
- ii. Oversee the delivery of the staff and clinical leadership actions within the GGI Governance Action Plan
- iii. Consider organisational development implications and advise in the development of plans required to deliver the change in culture, leadership and processes required by the Walsall CCG
- iv. Provide a forum to debate all issues relating to organisational development and supporting workforce

- v. Seek assurance that organisational development arrangements are appropriately designed and operating effectively to ensure the commissioning of high quality, safe healthcare and services
- vi. Approve all staff related policies (HR and OD)

Declaration of interests – these will be listed on the agenda of the committee.

Responsibilities of the Chair

The chair plays a pivotal role in creating the overall conditions for effective meetings.

The Chair will ensure that:

- i. They support and comply with the processes and templates used within the CCG
- ii. Accurate timely and clear information is presented to the committee
- iii. There is effective and timely communication with stakeholders when necessary
- iv. There is effective contribution in the meeting from all of the members
- v. There is regular evaluation on committee effectiveness and areas requiring improvement including addressing poor performance and or behaviours of its members are addressed
- vi. The committee carries out the functions that it is charged with
- vii. That the agenda covers topics within committee functions with adequate time for discussion and decision making
- viii. They actively manage and document conflict of interest and any declarations of interest

Responsibilities of members

As members each individual is required to bring their unique perspective informed by their expertise and experience and this will support decisions made by the group to ensure that:

- I. The interests of the patients and the community remain at the heart of discussions and decisions
- II. The group acts in the best interests of the local population at all times
- III. Good governance remains central at all times

Members of the committee are required to:

- I. Comply with Governing Body Etiquette
- II. Read all relevant agenda and support documentation.
- III. Comply with the consent agenda when it is used
- IV. Engage with other colleagues to report from meetings and collate feedback for agenda items prior to the meeting.

- V. Notify Chair or Vice Chair if unavailable to attend.
- VI. Nominated representatives must be fully briefed and accountable for decisions made
- VII. Be accountable for ensuring actions assigned are completed and fully reported upon.
- VIII. All members and deputies are required to complete a declaration of interest form. Persons in attendance will be required to declare any interests at the beginning of the meeting by the Chair.
- IX. To inform the chair of any conflicts of interest arising from any agenda items or discussions as they arise in committee
- X. To comply with the paperlite arrangements set out by the committee

Risk Management

The Committee has a responsibility to manage any risks identified that impact on its responsibilities. Each committee will agree key risk triggers aligned to the relevant corporate objectives. The committee will keep a committee risk register to document the management of risk at each meeting which will clarify the risk, the action, the timeframe and the executive ownership. This will be reported in the monthly executive summary report to the Governing Body of Walsall CCG. All risks will be actively managed by the Committee until the residual risk is deemed tolerable when it will either be closed or tolerated.

The Chair is responsible for ensuring that the:

1. register is reviewed to add, amend, close or transfer risks at each committee meeting
2. identified risks relevant to other committees are transferred to its chair
3. assurance report includes any unmitigated risks with a rating >6
4. when the key risk triggers are hit the internal escalation process is followed

Agenda Items

Agenda items should be submitted 10 days in advance of the meeting to the designated officer who will subsequently ratify the next agenda with the Chair. The papers for the meeting will be circulated to enable members to receive them 5 days before the meeting.

Papers are not to be tabled unless agreed by the chair prior to the meeting

Other Matters

The committee shall;

Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members

Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum

effectiveness and recommend any changes it considers necessary to the Governing Body for approval

Conduct of the committee

The Committee will conduct its business in accordance with the codes of conduct set out for all Governing Body members and good governance practice as laid out in the Constitution. They will observe the highest standards of propriety involving impartiality, integrity, and objectivity in relation to the stewardship of public funds.

Designated Officer

Simon Brake (This is normally the lead Director for the committee).

Review

The Governing Body will review these terms of reference annually after initial endorsement.

Conflicts of Interest⁴

All member of the committee must complete a declaration of interest form to ensure that any conflicts of interest are appropriately managed. If any member becomes aware of a conflict of interest which has, is likely to have or could be perceived to have an adverse effect on any decision, this shall be declared and the Chair will determine whether the member concerned should withdraw from the meeting whilst the relevant discussion or decision related to the agenda item is in progress. All declarations and conflicts of interest and the action to manage the interest shall be minuted.

The conflict of interest guardian is the Audit Chair, who will act as the conduit and safe point of contact for anyone with concerns relating to conflicts of interest and provide independent advice and judgment in the management of conflicts.

In the event that the Chair has a conflict of interest, the vice chair that part of the meeting.

Wherever a conflict of interest may be perceived, the matter must always be resolved in favour of the public interest rather than the individual member.

Where conflicts of interest are profound and acute the management may require the committee member to step down from the committee either permanently or temporarily.

Confidentiality

Papers that are marked 'in confidence, not for publication or dissemination' shall remain confidential to the members of the committee unless the Chair indicates otherwise. Members, representative or any persons in attendance

⁴ All members are required to adhere to the Walsall CCG Management of Conflict of Interest Policy.

shall not reveal or disclose the contents of these papers without express permission of the Chair. This prohibition shall apply equally to the content of any discussion during the meeting which may take place on such papers.

Data Protection Act 1998

Committee members will give due regard to the responsibilities of Walsall CCG to comply with Data Protection legislation

Freedom of Information Act 2000

All papers are subject to the Freedom of Information Act. All papers that are exempt from public release under the FOI Act must be clearly marked 'in confidence, not for publication'. These papers may not be copied or distributed outside of the committee membership without the expressed permission of the Chair. FIO exemption 41 (duty of confidence) applies.

Workplan 17/18:

Month	Remuneration Agenda	OD Agenda
May 2017	<ul style="list-style-type: none"> - Performance Related Pay framework - NED Remuneration review 	<ul style="list-style-type: none"> - Terms of reference agreement
June 2017	<ul style="list-style-type: none"> - Performance Related Pay decision - 2017/18 Objective approval 	<ul style="list-style-type: none"> - OD Plan approval - Workforce Dashboard Review - GGI Governance Action Plan (OD items) - Staff Council update
September 2017	To be determined	<ul style="list-style-type: none"> - Workforce Dashboard Review - Staff Council update - Joint Commissioning Board staff impacts - Training and Development Plan
November 2017	To be determined	<ul style="list-style-type: none"> - OD Plan update - Workforce

		<ul style="list-style-type: none"> Dashboard Review - Staff Council update - Joint Commissioning Board staff impacts - Staff Survey
January 2018	<ul style="list-style-type: none"> - Performance Related framework Pay 	<ul style="list-style-type: none"> - OD Plan update - Workforce Dashboard Review - Staff Council update - Joint Commissioning Board staff impacts - Staff Survey Results and Action Plan
March 2018	<ul style="list-style-type: none"> - Performance Related decision Pay 	<ul style="list-style-type: none"> - OD Plan update - Workforce Dashboard Review - Staff Council update - Joint Commissioning Board staff impacts