

Remuneration and Nomination Committee

Terms of reference

Version: 1.0

Approved by: Governing Body

Date approved: 23 May 2018

Date issued: 23 May 2018

Responsible Director: Chief Executive

Review date: May 2019

1. Introduction

- 1.1 Leeds has set out a bold ambition to be the best city for health and wellbeing. It has a clear vision to be a healthy, caring city for all ages, where people who are poorest improve their health the fastest. To realise this vision, the CCG and Leeds City Council need to change how we commission services so that the health and care system is sustainable, services are of high quality and we make best use of the 'Leeds pound'.
- 1.2 The CCG aims to provide more integrated care, based on the needs of local people. To do this, the CCG and Leeds City Council will work together to change how care is commissioned, and work with current and future providers to develop a new, more integrated health and social care system.
- 1.3 The CCG has recognised that in a similar way to many healthcare economies around the world, it will be necessary to adopt a Population Health Management (PHM) approach. The key building blocks of PHM are:
- Commissioning needs to be more strategic and outcomes-based rather than activity-based.
 - Some current commissioning functions would be more effectively used to develop a new provider landscape of integrated, accountable providers working towards common goals.
 - This would be enabled by new payment and incentive mechanisms supported by better use of information and technology.

2. Role of the Committee

2.1 Remuneration

- 2.1.1 The Committee shall make decisions on the remuneration, including terms, conditions, pay and allowances (e.g. any pension scheme it might establish as an alternative to the NHS pension scheme) and redundancy/severance, of all Governing Body members and Clinical Leads of the CCG.

2.1.2 The Committee will also make recommendations to the CCG Governing Body on decisions about the remuneration, including terms, conditions, pay and allowances (e.g. any pension scheme it might establish as an alternative to the NHS pension scheme) and redundancy/severance, of all employees and people who provide services to the CCG.

2.1.3 The Committee shall approve all HR policies.

2.2 Nomination

2.2.1 The Committee shall have delegated authority from the Governing body to:

- regularly evaluate the balance of skills, experience, independence, diversity and knowledge of the CCG Governing Body and make recommendations to the Governing Body with regard to any changes
- give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the CCG, the diversity of the Governing Body and the skills and expertise needed on the Governing Body in the future
- keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to deliver its stated aims
- keep up to date and fully informed about strategic issues and commercial changes affecting the CCG and changes to the environment in which it operates
- as and when vacancies arise on the Governing Body, evaluate the balance of skills, knowledge, experience and diversity on the Governing Body, and, in the light of this evaluation advise on the role and capabilities required for particular appointments
- in respect of non-elected Governing Body members and other senior executives, the Committee shall in identifying suitable candidates:
 - use open advertising or the services of external advisers to facilitate the search
 - consider candidates from a wide range of backgrounds

- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Governing Body, including gender, taking care that appointees have enough time available to devote to the position
- in the case of the Accountable Officer the Committee shall co-ordinate with the national assessment, accreditation, selection and recruitment process
- in respect of the appointment of the Chair of the Governing Body, the Committee should agree a job specification, including the time commitment expected
- review the results of the Governing Body and committee performance evaluation process that relate to the composition of the Governing Body and review annually the time required from non-executive directors
- formulate plans for succession for both executive and non-executive directors and in particular:
 - for the key roles of Clinical Chair and Accountable Officer
 - membership of the audit and remuneration committees, and any other Governing Body committees as appropriate, in consultation with the chairs of those committees
 - the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Governing Body in the light of the knowledge, skills and experience required
 - performance and ability to continue to contribute to the Governing Body in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Governing Body
 - any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the CCG subject to the provisions of the law and their service contract.

- 2.3 The work of the Committee will provide the Governing Body with assurance on the CCGs' delivery of the following statutory duties:
- pay its employees remuneration, fees and allowances in accordance with determinations made by the Governing Body, and determine any other terms and conditions of service of the CCG's employees.
 - determine the remuneration and travelling or other allowances of members of its Governing Body.

3. Membership

- 3.1 The membership of the Committee will be as follows:

Members (Voting)

- At least three Lay Members
- One Member Representative
- Clinical Chair

In attendance (Non-Voting)

- Accountable Officer
- Head of Corporate Governance
- Human Resources Representative

- 3.2 The Chair of the Committee will be a CCG Lay Member, and cannot be the CCG Chair.

- 3.3 The Deputy Chair of the Committee will be a CCG Lay Member.

- 3.4 Other Directors, senior managers and external advisors shall be invited to attend where appropriate. They should not, however, be in attendance for discussions about their own remuneration and terms of service.

4 Quoracy and voting

- 4.1 The quorum of the Committee is a minimum of **two voting members**, one of these must be a lay member, except when considering lay member remuneration.

- 4.2 If the Committee is not quorate the meeting may be postponed at the discretion of the Chair.

- 4.3 The aim of the Committee will be to achieve consensus decision-making. Should a vote need to be taken, only the **members** of the Committee shall be allowed to vote. In the event of a tied vote, the Chair will have a casting vote.

5 Operation of the Committee

- 5.1 The Committee will hold at least three meetings per year.
- 5.2 Extraordinary meetings may be held at the discretion of the Chair. A minimum of seven working days' notice should be given when calling an extraordinary meeting.
- 5.3 The agenda and supporting papers will be circulated to all members of a meeting at least five working days before the date of the meeting.
- 5.4 With the agreement of the Chair, items of urgent business may be added to the agenda after circulation to members.
- 5.5 In the case of an emergency the Chair may take urgent action to decide any matter within the remit of the Committee, subject to consultation with at least two other members of the Committee. Any such action will be reported to the next Committee meeting.
- 5.6 Minutes will be issued at latest 10 working days following each meeting and a Chair's Summary will be submitted to the subsequent meeting of the Governing Body.
- 5.7 Secretarial support will be provided to ensure appropriate support to the Chair and Committee members in relation to the organisation and conduct of meetings.

6 Conduct of the Committee

- 6.1 Members of the Committee shall at all times comply with the standards of business conduct and managing conflicts of interest as laid down in each of the CCG's Constitution and the Managing Conflicts of Interest Policy.
- 6.2 All declarations of interest will be declared at the beginning of each meeting and actions taken in mitigation will be recorded in the minutes.

7 Accountability and Reporting

- 7.1 The Committee is accountable to the Governing Body.

- 7.2 The Committee will produce an annual work plan in consultation with the Governing Body.
- 7.3 A Chair's summary will be presented to the Governing Body.
- 7.4 The Committee is authorised by the Governing Body to commission any reports or surveys or to create working groups as necessary to help it fulfil its obligations and will remain accountable for any working groups. The minutes of such groups will be presented to the Committee.

8 Review of the Committee

- 8.1 The Committee will undertake an annual self-assessment of its performance against the annual plan, membership and terms of reference. Any resulting proposed changes to the terms of reference will be submitted for approval by the Governing Body.
- 8.2 These terms of reference and membership will be reviewed at least annually following their approval.