


Item Number: 13	
Name of Presenter: Keith Ramsay	
Meeting of the Governing Body 2 April 2015	 NHS Vale of York Clinical Commissioning Group
Review of Remuneration Committee Terms of Reference	
Purpose of Report For Decision	
1. Rationale The CCG's Remuneration Committee Terms of Reference require an annual review. The purpose of this report is to present the review and the options for amendments.	
2. Strategic Initiative <input type="checkbox"/> Integration of care <input type="checkbox"/> Person centred care <input type="checkbox"/> Primary care reform <input type="checkbox"/> Urgent care reform <input type="checkbox"/> Planned care <input type="checkbox"/> Transforming MH and LD services <input type="checkbox"/> Children and maternity <input type="checkbox"/> Cancer, palliative care and end of life care <input type="checkbox"/> System resilience	
3. Actions / Recommendations It is recommended that the Governing Body review the Remuneration Committee Terms of Reference and agree any amendments.	
4. Engagement with groups or committees The review was requested by the Remuneration Committee.	
5. Significant issues for consideration The Remuneration Committee's Terms of Reference should be in line with the CCG's constitution.	
6. Implementation The Governing Body should determine how any amendments required will be implemented.	
7. Monitoring The Remuneration Committee Terms of Reference should be reviewed annually.	
8. Responsible Chief Officer and Title Keith Ramsay- Lay Chair	9. Report Author and Title Kerry Ryan, Human Resources Business Partner (YHCSU)
10. Annexes The following annexes are provided for Governing Body members and available at http://www.valeofyorkccg.nhs.uk/about-us/governing-body-meetings/ : <ol style="list-style-type: none"> 1. NHS Vale of York CCG Remuneration Committee Terms of Reference 20.09.2012 2. NHS Commissioning Board Example Terms of Reference for Remuneration Committees 3. Membership of Remuneration Committees in other CCGs. 	

1. Introduction

The purpose of this paper is to present a review of the NHS Vale of York Clinical Commissioning Group's (CCG) Remuneration Committee Terms of Reference (appendix 1). This review was requested by Keith Ramsay, Lay Chair. This review has been conducted as a desktop exercise by Kerry Ryan, Human Resources Business Partner, Yorkshire and Humber Commissioning Support and as such so far there has not been an opportunity for this paper to be considered by the Remuneration Committee.

2. Background

The CCG's Remuneration Committee Terms of Reference commit to an annual review. The current version was approved on 20 September 2012 with a subsequent review scheduled for April 2013, however it is unclear as to whether this review or any subsequent review has been conducted.

The Terms of Reference were initially developed from a template national document produced by what was formerly known as the NHS Commissioning Board.

Clinical Commissioning Group Remuneration Committee Terms of Reference Guidance¹ states: "It is good practice, at least annually, for the committee to review its own performance, membership and terms of reference. Any resulting changes to the terms of reference should be approved by the governing body".

3. Content

3.1 Introduction

There are no recommended changes to section 1 'Introduction'.

3.2 Membership

The current membership of the Remuneration Committee means it is not possible for the Remuneration Committee to make decisions relating to lay members. The national guidance states: 'The committee shall be appointed by the clinical commissioning group from amongst its governing body members'. The guidance also states "Only members of the governing body may be members of the remuneration committee. It would be good practice not to include full time employees or individuals who claim a significant proportion of their income from the group in the membership of the remuneration committee. The member practices should not be in the majority. Only members of the committee have the right to attend committee meetings. However, other individuals such as the accountable officer, any HR lead and external advisers may be invited to attend for all or part of any meeting as and when appropriate, however, should not be in attendance for discussions about their own remuneration and terms of service'.

¹ <http://www.england.nhs.uk/resources/resources-for-ccgs/ccg-tor/>

Consideration should be given as to whether the membership of the Remuneration Committee is still fit for purpose or whether additional members should be added or changes made. Appendix 3 provides information as to the make up of Remuneration Committee membership in some other CCGs. Membership varies widely between CCGs. It is recommended that the membership is changed so that the Remuneration Committee can consider Lay Member Remuneration and Terms and Conditions. Having 2 GP Governing Body Members included in the membership would expand the business that the remuneration committee can consider.

Any agreed changes would need to be reflected in section 2 'Membership'.

3.3 Chair and Vice Chair

If the membership of the Remuneration Committee is changed to include GP Governing Body Members then it is recommended that the Vice and Vice Chair arrangements are amended. The CCG Governing Body may wish to determine if it has a preference as to whether a Lay Member of GP Governing Body is Chair or this decision could be delegated to the Remuneration Committee to make. Example revised wording could be: 'A Chair should be appointed from the Membership of the Governing Body. If the Chair is a Lay Member the Vice Chair should be a Governing Body GP. If the Chair is a Governing Body GP the Vice Chair should be a Lay Member. This would facilitate decision making still being viable if certain groups of members had to leave the meeting due to a declared interest'.

Any agreed changes would need to be reflected in section 3 'Chair and Vice Chair'.

3.4 Quorum

If changes are made to section 2 and to section 3 then it is recommended that the quorum is changed to give the Remuneration committee increased flexibility. It would be good practice for the quorum to require the Chair or Vice Chair to be present and a minimum presence of more than 50% of the Remuneration Committee membership. Therefore if the membership of the committee is increased to include 2 GP Governing Body Members in addition to the existing 3 Lay Members so that there are 5 members in total then in order to be quorate 3 members should be present of which at least 1 is the Chair or Vice Chair.

Any agreed changes would need to be reflected in section 4 'Quorum'.

3.5 Secretary

There are no recommended changes to section 5 'Secretary'.

3.6 Frequency and Notice of Meetings

There are no recommended changes to section 6 'Frequency and notice of meetings. However consideration should be given to whether the Remuneration Committee would benefit from a work plan.

3.7 Remit and Responsibilities of the Committee & Relationship with the Governing Body

Section 7 'Remit and Responsibilities of the Committee' and section 8 'Relationship with the Governing Body' have been reviewed together as they appear to be interdependent. In line with the NHS Commissioning Board example Terms of Reference the current version states 'The committee shall make recommendations to the Governing Body on:...'. In reality the Remuneration Committee has been the decision maker. The current version also states that ' The minutes of the Committee meetings will be submitted by the Committee Chair to the Vale of York Clinical Commissioning Group Chair within 7 calendar days of the meeting', however to date the Chair of the CCG and the Chair of the Remuneration committee has been the same individual. It is recommended that section 7 and/ or section 8 is amended to clarify where the decision making authority is and what appropriate reporting arrangements should be in place.

This section also defines the functionality of the Remuneration Committee. The first bullet point defines that determinations about pay and remuneration are limited to employees of the CCG. It is recommended that consideration should be given as to whether the remuneration committee should determine pay and remuneration for other people who provide services to the CCG as per the example national template. This may include Lay Members.

It has also been apparent that the Remuneration Committee has been requested to ratify appointments but this is not a defined function. It is recommended that consideration is given as to whether the Remuneration Committee required to formally approve appointments to the Governing Body?

Any agreed changes would need to be reflected in section 7 'Remit and Responsibility of the Committee' and/or section 8 'Relationship with the Governing Body' as appropriate.

3.8 Policy and Best Practice

Consideration should be given as to whether a register of Remuneration Committee Members declared interests should be tabled each meeting. It is expected that such a document is already in existence within the CCG.

Consideration should also be given as to whether non voting members should be invited to/ expected to attend the meeting to join discussions where their opinion is relevant. This allows the Remuneration Committee to receive all relevant information and make a fully informed decision. For example some CCG Chief Officers and Clinical Chairs who are not voting members are

routinely present at meetings to provide input. In NHS Vale of York CCG it may be appropriate for the Chief Clinical Officer to routinely be present.

If necessary section 9 'Policy and Best Practice' should be amended to reflect any agreed changes.

3.9 Conduct of the Committee

There are no recommended changes to section 10 'Conduct of the Committee'.

3.10 Terms of Reference

There are no recommended changes to section 11 'Terms of Reference'. It would however be good practice to plan an annual review of the Terms of Reference to be considered by the Remuneration Committee with a report of the findings/ recommendations to be received by the Governing Body on an annual basis.

Appendices:

1. NHS Vale of York CCG Remuneration Committee Terms of Reference 20.09.2012
2. NHS Commissioning Board Example Terms of Reference for Remuneration Committees
3. Membership of Remuneration Committees in other CCGs.