Remuneration Committee

Terms of Reference

1. Constitutional Obligations

1.1. The Remuneration Committee (the Committee), and its associated Non-Executive Member (NEM) Remuneration Panel is established by the Integrated Care Board for Devon (known and referred to as NHS Devon) as a Committee of the Board in accordance with its Constitution, Standing Orders and Scheme of Reservation and Delegation.

1.2. These Terms of Reference (ToR), including the Annex, which must be published on the NHS Devon website, set out the membership, remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the NHS Devon Board.

1.3. The Committee is a Non-Executive Committee of the NHS Devon Board and its members, including any who are not members of the NHS Devon Board, are bound by the Constitution, Standing Orders and Scheme of Reservation and Delegation and other policies of NHS Devon.

1.4. The Committee is authorised by the NHS Devon Board to:

a) Investigate any activity within its ToR;
b) Seek any information it requires within its remit, from any employee or member of NHS Devon (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these ToR;
c) 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 NHS Devon for obtaining legal or professional advice;
d) 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 ToR of any such task and finish sub-groups in accordance with NHS Devon's Constitution, Standing Orders and Scheme of Reservation and Delegation, but may /not delegate any decisions to such groups.

1.5. For the avoidance of doubt the Committee will comply with the NHS Devon Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation, other than the Committee being permitted to meet in private.

2. Purpose and Responsibilities

Purpose

2.1 The Committee will be responsible for approving the remuneration and pay frameworks for all NHS Devon employees and Board Members (excluding the NHS Devon Chair whose remuneration is determined by NHS England).

2.2 It will exercise the functions of NHS Devon relating to paragraphs 17 to 19 of Schedule 1B to the NHS Act 2006, by confirming NHS Devon Pay Policy, including adoption of any pay frameworks for all employees including senior managers/directors (including Executive and Non-Executive Members of the NHS Devon Board, although excluding the NHS Devon Chair), as well as any arrangement relation to the termination of their employment (including redundancy and non-disclosure agreements).

2.3 In respect of the Non-Executive Members of the NHS Devon Board, this shall be carried out through the NEM Remuneration Panel. The remit of the Panel is set out at the Annex to these Terms of Reference.

2.4 The NHS Devon Board has also delegated the following functions to the committee:

- Oversight of the performance of Executive Members of the NHS Devon Board

2.5 The Committee has no executive powers, other than those delegated in the Scheme of Reservation and Delegation and specified in these Terms of Reference.

2.6 The Committee shall agree an annual programme of business; however, this programme of business will be flexible to new and emerging priorities and risks.

Responsibilities

2.7 The responsibilities of the Committee are as follows:

Remuneration of the Chief Executive, Directors and other Very Senior Managers (VSMs):

2.8 Determine all aspects of remuneration including but not limited to salary, (including any performance-related elements) bonuses, fees or allowances

2.9 Approve provisions for other benefits, including pensions (and the NHS Pension Scheme), relocation and cars

2.10 Determine arrangements for termination of employment and other contractual terms and non-contractual terms

2.11 Assess proper calculation and scrutiny of termination payments taking account of such national guidance as appropriate, advising on and overseeing appropriate contractual arrangements for such staff

2.12 Assess proper calculation and scrutiny of any special payments

2.13 Functions in relation to performance review/ oversight for directors/senior managers undertaken by the chief executive or their nominated deputy

2.14 Consider and approve the annual review of the performance of the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chief Executive conducted by the Cluster Chair

2.15 Consider and approve the annual review of the performance of the executive directors conducted by the Cluster Chief Executive

2.16 Succession planning for the NHS Devon Board

2.17 Approve changes to the director structure when reliance on the organisational change policy is required

Remuneration of all NHS Devon staff:

2.18 Approve the pay policy for NHS Devon staff (including the adoption of pay frameworks such as Agenda for Change).

2.19 Oversee staff contractual arrangements including those resulting from use of the organisational change policy.

2.20 Approve proposals for termination payments and any special payments (including arrangements for dealing with legal cases relating to employment issues) following scrutiny of their proper calculation and taking account of such national guidance as appropriate.

Other Board appointments and performance:

Consider and approve the annual review of the performance of the NHS Devon Partner Members conducted by the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair

2.21 Review the outcomes of the NHS Devon Board performance evaluation process, including thematic outcomes from appraisals, that relate to the performance and effectiveness of the NHS Devon Board

2.22 Provide assurance with regard to the policy and process for the appointment of Co-opted Members of NHS Devon Board Committees.

2.23 Provide assurance in relation to NHS Devon statutory duties relating to people such as compliance with employment legislation including such as Fit and Proper Person Regulation (FPPR) and conflicts of interest requirements.

3. Membership

3.1 Members of the Committee shall be appointed by the NHS Devon Board in accordance with the NHS Devon Constitution.

Chair & Vice Chair

3.2 In accordance with the NHS Devon Constitution, the Committee will be chaired by a Non-Executive Member of the NHs Devon Board, appointed on account of their specific knowledge, skills and experience making them suitable to chair the Committee.

3.3 Committee members may appoint a Vice Chair from amongst the membership of the Committee, who must be a Non-Executive Member of the NHS Devon Board who has the requisite skills and experience to act in that capacity.

3.4 The Chair of the Committee will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

Membership

3.5 The membership of the Committee shall be constituted as follows:

- Independent Non-Executive Member (Chair)
- Independent Non-Executive Member (Vice-Chair)
- Independent Non-Executive Member
- Independent Non-Executive Member
- Independent Non-Executive Member
- NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair

3.6 Members will possess between them the requisite knowledge, skills and experience pertinent to the committee’s terms of reference, calling on specialist advice when needed

3.7 The Chair of the NHS Devon Audit Committee may not be a member of the Committee.

3.8 The NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair may be a member of the Committee but may not be appointed as the Chair or Vice Chair of the Committee.

3.9 When determining the membership of the Committee, active consideration will be made to diversity and equality.

Other Attendees

3.10 Only members of the Committee have the right to attend and vote at Committee meetings; however, meetings of the Committee will also be attended by the following individuals who are not members:

- Chair of NHS Devon Audit and Risk Committee
- NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chief Executive Officer
- NHS Cornwall and Isles of Scilly and NHS Devon Cluster Officer with responsibility for people
- NHS Cornwall and Isles of Scilly and NHS Devon Cluster Corporate Governance Lead

3.11 Other attendees may be invited to attend all or part of any meeting as and when the Chair of the Committee considers they have expertise that would be relevant to the responsibilities of the Committee.

3.12 The Chair of the Committee 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.

3.13 No individual should be present during any discussion relating to:

a) Any aspect of their own pay; or
b) Any aspect of the pay of others when it has an impact on them.

Attendance

3.14 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 Chair of the Committee. 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.

4. Quorum, Decisions and Voting

4.1 The committee will meet in private.

Quorum

4.2 For a meeting of the Committee to be quorate a minimum of 50% members (i.e., 3 members) is required, including the Chair or Vice Chair of the Committee (unless they are disqualified from participating on that item in the agenda, by reason of a declaration of conflicts of interest).

4.3 If any member of the Committee is unable to participate in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

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

Decision Making and Voting

4.5 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.

4.6 In line with NHS Devon's Standing Orders, it is expected that decisions will be reached by consensus. Should this not be possible, each 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 paragraphs 3.5-3.8; 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 Chair of the Committee (or in their absence, the Vice Chair) will have a second and casting vote.

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

4.7 For urgent decisions, the Chair of the Committee may call a meeting at a notice of 2 days, setting out the reason for the urgency and the decision to be taken.

4.8 When there is an urgent matter where a decision is required outside of the meeting (which cannot wait for the next scheduled meeting), the Chair of the Committee may make a decision after conferring with at least two other members ("Chair's Action").

4.9 When Chair's Action has been taken then the next quorate meeting of the Committee must ratify it. Urgent decisions will only be taken when there is insufficient time available for the decision to be delayed until the next meeting.

5. Ways of Working

5.1 All members of the Committee will have due regard to and operate within the Constitution of NHS Devon, its Standing Orders, Standing Financial Instructions and standards of business conduct policy.

5.2 Members of the Committee will abide by the 'Principles of Public Life' (The Nolan Principles) and the NHS Code of Conduct.

5.3 Members of the Committee 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.

5.4 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.

5.5 A Register of Interests will be reviewed at each Committee meeting. Those in attendance will be asked by the Chair of the Committee to declare any interests at the beginning of each meeting. If a member of the Committee feels compromised by any agenda item, they should declare a conflict of interest and agreement reached as the action to be taken as set out in the NHS Devon Conflicts of Interest Policy.

6. Reporting Arrangements

6.1 The Committee is accountable to the NHS Devon Board and shall report to the Board on how it discharges its responsibilities.

6.2 The Chair of the Committee will be responsible for ensuring that minutes of the meetings are formally recorded by the secretary and submitted to the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board on behalf of the NHS Devon Board in accordance with standing orders.

6.3 The Chair of the Committee will provide an assurance report on behalf of the Committee to the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board after each meeting on how it has discharged its responsibilities. The report shall be presented to the public meeting whenever possible. Where minutes and reports identify individuals, they will not be made public and will be presented at a private meeting of the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board. Public reports will be made as appropriate to satisfy any requirements in relation to disclosure of public sector executive pay.

6.4 The Committee shall undertake an annual self-assessment of its own performance against its annual programme of business, membership and ToR. The outcome of this self-assessment will be included within the Review of Corporate Governance reported to the NHS Devon Board on an annual basis.

6.5 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.

7. Meetings and Administration

Frequency of Meetings

7.1 The Committee will meet in private at least two times a year. Additional meetings may take place as required.

7.2 The NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board, the NHS Devon Board, Cluster Chair or Cluster Chief Executive Officer may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

7.3 Arrangements and notice for calling meetings are set out in the NHS Devon Standing Orders.

Administration

7.4 The Committee shall be supported by an administrator from within the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Corporate Governance Team. Their duties in this respect will include:

a) Agreement of agendas with the Chair and attendees.
b) Preparation, collation and circulation of papers in good time.
c) Ensuring that those invited to each meeting attend, highlighting any concerns to Chair (including interests of members that may conflict with an agenda item).
d) Taking the minutes and helping the Chair to prepare reports to the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board.
e) Keeping a record of matters arising and issues to be carried forward.
f) Maintaining records of members' appointments and renewal dates.
g) Ensuring that action points are taken forward between meetings.
h) Ensuring that members receive the development and training they need.
i) Providing appropriate support to the Chair and members.

7.5 Following each meeting of the Committee, the administrator will:

a) Maintain an attendance log and follow up as appropriate after each meeting to ensure the Committee adheres to the required frequency of attendance by members.

b) Maintain a decisions log of reporting arrangements into each formal meeting of the Committee.

c) Maintain a log of summary written reports provided to the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board from formal meetings of the Committee.

Annex

Non-Executive Member Remuneration Panel

Due to conflicts of interest, Non-Executive Members (NEMs) are unable to consider their own remuneration. To overcome this, the NEM Remuneration Panel (the Panel) which will operate under the principles and ethos contained within the Remuneration Committee's Terms of Reference.

The Panel will act in accordance with the NHS Devon Constitution and Standing Orders, as well as the delegations contained within the Scheme of Reservation and Delegation and Standing Financial Instructions. Despite the Panel's remit being an Annex to the Remuneration Committee's Terms of Reference, it is an independent group of the NHS Devon Integrated Care Board with decision making capabilities.

The Panel shall meet at least annually to consider:

- NEM remuneration
- a summary of the annual performance reviews of NEMs conducted by the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair

Proposals shall determine all aspects of remuneration, including but not limited to salary and other contractual terms and non-contractual terms, for the NHS Devon NEMs, taking account of relevant national guidance available.

Its membership excludes NEMs, except for the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair. Instead, the membership shall include:

- the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair
- 2 Partner Members of the NHS Devon Board
- a co-opted member appointed by the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair

The following NHS Cornwall and Isles of Scilly and NHS Devon Cluster Officers shall attend the Panel to provide expertise and advice, taking account of any national guidance available:

- Officer responsible for people
- Corporate governance lead

The NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chief Executive may also attend.

Attendees shall not count towards quoracy.

The chair of the review group shall be the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair. The role of vice chair shall be held by one of the NHS Devon Partner Members.

When presenting the summary of annual NEM appraisals, the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair shall hand over their chairing role to the vice chair and not count towards quoracy.

Quoracy will require 2 members which must include the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair or an NHS Devon Partner Member to be present.

Decisions on proposals will be reached by consensus. If this is not possible then members shall vote and the majority view will be carried. Where there is a split vote, with no clear majority, the chair of the committee will hold the casting vote. In exceptional circumstances, where escalation is required following disagreement, this shall be to NHS England.

The Panel does not have responsibility for establishing the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Chair’s pay. This remains the responsibility of NHS England.

Decisions made by the Panel shall be reported to the public meeting of the NHS Cornwall and Isles of Scilly and NHS Devon Cluster Joint Committee/Board.

Document Control

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Change Record

Date	Change	Comments
28.11.2024	Quoracy requirements	Updated to include quoracy includes the Chair of Vice Chair of the Committee and either the Chair of the NHS Devon Board or another Independent Non-Executive Member.
27.03.2025	Membership and attendance	Updated to add additional Independent Non Executive Member and to add Chair of Audit and Risk Committee to regular attendees. Amendment of quorum.
28.08.2025	Alignment with NHS CIOs Audit Committee ToR	Minor amendments to align with the Terms of Reference of the NHS Cornwall and Isles of Scilly Audit Committee, to facilitate meetings of the Committee in Common as part of Cluster arrangements. Addition of Annex setting out responsibility of NEM Appointments Panel