

Remuneration and Nominations Committee Terms of Reference

FCG-BOA-CP

March 2019

V3.0 approved



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Version control

Version	Name	Date	Comment
V1.0		December 2017	
V2.0	Finance & Corporate Governance	November 2018	Annual review
V3.0	Finance & Corporate Governance	February 2019	Amendments following REMCO on 25.1.19
V4.0	Finance & Corporate Governance	March 2019	Reference to SID removed and document approved by Board 6.3.19

NHS Counter Fraud Authority

Remuneration and Nominations Committee

Terms of Reference

1. Constitution

- 1.1 The Remuneration and Nominations Committee is formally established as a Committee of the NHS Counter Fraud Authority Board. The Board will determine its terms of reference and any delegated authority.

2. Membership

- 2.1 The Committee will comprise of three Non-Executive Members of the Board, one of whom will be appointed as Chair of the Committee.
- 2.2 The Committee shall be quorate providing there are 2 members present. Details of the membership shall be given in the NHSCFA's Annual Report.

3. Attendance

- 3.1 In addition to the members, it is expected the Chief Executive shall normally attend meetings of the Committee. Other Executive Directors or NHSCFA staff may be invited to attend for specific items.
- 3.2 Neither the Chief Executive nor any Executive Director shall be present during discussions in relation to their own remuneration, performance and terms of service.

4. Frequency

- 4.1 The Committee shall meet as required but no less than once in financial year 18/19 and twice each financial year from 1 April 2019. Additional meetings can be called as required by the Chair of the Committee.

5. Duties

5.1 Remuneration and Terms of Service: The Committee will

5.1.1 In line with the NHS Executive Senior Manager (ESM) Pay Framework and other relevant guidance issued by the Department of Health & Social Care (DHSC), determine the remuneration and other contractual arrangements for the Chief Executive and Executive Directors. This should ensure that they are fairly rewarded and their terms of service are competitive and value for money.

5.1.2 In line with current Pay Framework guidance, the Committee should approve prior to submission to the DHSC Remuneration Committee, the remuneration and contractual arrangements for other senior manager posts evaluated under Agenda for Change and attracting a salary over £100k including recruitment and retention or additional responsibilities allowance. This applies to permanent, fixed term and interim appointments. The Committee will also review annually all salaries over £100k including those posts which are taken above £100k by the application of recruitment and retention premia.

5.1.3 For the avoidance of doubt, the Committee should seek *prior* approval via a business case from the DHSC Remuneration Committee for:

- the salaries and appointment of the Chief Executive and Executive Directors;
- all posts that attract a salary of £100k and above;
- all new ESM posts;
- all new posts, ESM/Agenda for Change (AfC) (or equivalent) that attract a salary over £100k (including Recruitment and Retention Premia (RRP)/Additional Responsibilities Allowance (ARA)), this covers permanent, fixed term and interim appointments;
- all requests for use of RRP for ESM posts up to 10% (if RRP exceeds 10% the case will require both DHSC Remuneration Committee and Chief Secretary to the Treasury approval);
- RRP for Agenda for Change posts only if RRP takes the salary over £100k.

5.2 Within the guidelines established by the DHSC, agree performance bonuses and any additional responsibilities payments for the Chief Executive and Executive Directors.

- 5.3 Ensure adequate arrangements are in place for the Chair of the Board to evaluate the performance of the Chief Executive and for the Chief Executive to evaluate the performance of Executive Directors in line with the NHSCFA Optimising Performance & Development framework and Six Principles of Good Practice and Values & Behaviour framework.
- 5.4 In line with DHSC guidance, oversee and advise the Board on termination and severance arrangements in relation to the Chief Executive and Executive Directors.
- 5.5 In accordance with the DHSC delegated limits to ALBs, in advance of submission to the DHSC HR Governance and Assurance Committee (GAC), the Committee shall approve:
- all redundancies
 - all payments in Lieu of Notice (PILON).

The Committee will also receive all other submissions to GAC for information.

- 5.6 Ensure appropriate details of Board Members' remuneration and other benefits are accurately published in the Annual Report.
- 5.7 **Nominations:** The Committee will
- 5.7.1 as appropriate review and make recommendations to the Board with regard to any changes to the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, both executive and non-executive, to ensure the continued ability of the organisation to deliver its strategic objectives.
- 5.7.2 offer suitable advice and information to support the process operated by the DHSC for the appointment (or proposed re-appointment) of the Chair or Non-Executive Members of the Board.
- 5.7.3 in line with the requirements set out in Statutory Instruments 2017 No 958 & 960 and The Counter Fraud Authority Directions¹ work with the NHSCFA

¹ The NHS Counter Fraud Authority Directions, with Supplemental Directions to the NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) 2017

Statutory Instrument 2017 No.958 1The NHS Counter Fraud Authority (Establishment, Constitution, and Staff and Other Transfer Provisions) Order 2017

Chief Executive, to identify and nominate for the approval of the Board, candidates to fill executive Board vacancies as and when they arise. When appointing to the role of Chief Executive, the Committee will support the Chair of the Board as necessary.

5.7.4 Regularly review succession planning arrangements to ensure a stable, experienced and viable team is in place at executive level and next tier.

6. Reporting

6.1 The Chair of the Committee shall report on the business of the Committee at the next formal Board meeting and a copy of the confirmed minutes shall be submitted for inclusion with Board papers. In the event of the minutes containing confidential information this shall be redacted.

6.2 The Committee shall undertake an assessment of its effectiveness each year and submit to the Board.

7. Review

7.1 The Committee will review its Terms of Reference annually.

7.2 The Committee shall submit the Terms of Reference for approval to the Board.