

Annual Report & Effectiveness Review – Strategic HR and Remuneration Committee

Introduction

1. The Committee provides the Board with assurance and oversight of all aspects of strategic people management and organisational development. It also approves the appointment, remuneration and terms of service for the Chief Executive and members of the Executive group, in line with the DHSC and Arm's Length Bodies Pay Framework and Government decisions on public sector pay arising from the recommendations of the Senior Salaries Review Body.
2. The Committee does not deal with the appointment, terms of service or remuneration of the Chair and non-executive directors, as these matters fall within the responsibilities of the Secretary of State for Health under the National Health Services Act 2006, as amended by the Health and Social Care Act 2012.

Meetings of Committee

3. During this period, the Committee met on two occasions.
4. The members of the Committee were as follows:
 - Professor Sir Malcolm Grant (Chair)
 - Dame Moira Gibb
 - David Roberts
 - Wendy Becker
5. Wendy Becker was invited to join the Committee in November 2017.
6. A summary of members' attendance is given at annex 1.

Delivery of work programme

7. Over the year the committee has received reports assuring it about the implementation of the revised DHSC and Arm's Length Bodies Executive and Senior Manager (ESM) pay framework and approved decisions relating to the targeted allocation of consolidated and non-consolidated pay awards to this group of senior staff for the financial year. It has focussed on workforce diversity and inclusion, overall staff experience and engagement and progress with talent management across NHS England. The committee has also considered the proposals for the alignment of NHS England's support for the enablement of Next Steps on the NHS Five Year Forward View. Discussion of the outcomes from the staff survey was submitted to the full Board.

Work programme for 2018/2019

8. During the coming year, the Committee will continue to focus primarily on the NHS Improvement/NHS England Integrated Working programme, as well as the alignment of support for STPs across the system. The Committee will continue to review NHS England's progress on talent management, workforce diversity and inclusion, and overall staff experience and engagement throughout the year ahead. Finally, the Committee will make decisions in respect of the Chief Executive's annual appraisal and pay and any issues pertaining to national directors.

Review of Terms of Reference

9. The terms of reference for the committee have been reviewed and refreshed.
10. The Committee considered the revised Terms of Reference at their meeting on 24 May 2018, and these are attached at annex 2 for consideration and approval by the Board.

Review of effectiveness

11. The Committee plans to undertake a full review of its effectiveness during the coming year, but can confirm that it has met its statutory duties as delegated by the Board during 2017/18.

Assurance Statement

12. The Committee confirms that it has met its duties delegated by the Board, and that there are no issues of concern to raise to the Board.

Recommendations

13. The Board is asked to:
 - i. Note the report;
 - ii. Take assurance from the Committee with regard to delivery of its work programme; and
 - iii. Approve the revised terms of reference

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Summary of Members' Attendance

Member	28 September 2018	8 February 2018
Professor Sir Malcolm Grant	Y	Y
David Roberts	Y	Y
Dame Moira Gibb	Y	N
Wendy Becker		Y

Terms of Reference

Strategic HR and Remuneration Committee

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Version	Date	Summary of changes
1.1	29 August 2017	Draft review
1.3	24 May 2018	Review in line with HSCA 2012 and UK Corporate Governance Code

Approved by

This document must be approved by the following people:

Name	Signature	Title	Date	Version
Professor Sir Malcolm Grant		Chair	24 May 2018	2.0

Related documents

Title	Owner	Location

Document control

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Purpose

1. The Committee provides the Board with assurance and oversight of all aspects of strategic people management and organisational development. It approves the appointment of the Chief Executive and National Executive Directors who report directly to the Chief Executive in line with paragraph 3 of schedule A1 of the NHS Act 2006, the Department of Health and Social Care and Arms' Length Bodies Pay Framework and Government decisions on public sector pay arising from the recommendations of the Senior Salaries Review Body.
2. With regard to the Chief Executive and National Executive Directors, the Committee makes recommendations regarding remuneration and terms of service to the Department of Health and Social Care where the salary is above £150K.
3. The Committee does not deal with the appointment, terms of service or remuneration of the Chair and NEDs, These matters fall within the responsibilities of the Secretary of State for Health under paragraph 2(1)(A) and (B) of schedule A1 of the NHS Act 2006, as amended by the Health and Social Care Act 2012.
4. The duties of the Committee incorporate those of a Nominations Committee in regard to succession planning.

Duties and Responsibilities

5. With regard to the Chief Executive and National Executive Directors, recommendations regarding remuneration and terms of service will be made to the Department of Health and Social Care.
6. With regard to other Executive Senior Managers (ESM), all aspects of salary (including any performance-related elements, bonuses) will be determined by the Committee.
7. Provisions for other benefits, including pensions and cars for all ESMs.
8. Arrangements for termination of employment and other contractual terms (decisions requiring dismissal of the Chief Executive or Non-Executive Directors shall be referred to the Secretary of State).
9. Arrangements for termination of employment and other contractual terms (decisions requiring dismissal of the National Executive Directors shall be referred by the Chief Executive to the NHS England Board).
10. Ensuring that ESMs are fairly rewarded for their individual contribution to NHS England – having proper regard to NHS England's circumstances and performance and to the provisions of any national arrangements for such staff.
11. Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate, advising on and overseeing appropriate contractual arrangements for such staff. This will apply to all NHS England staff.
12. Proper calculation and scrutiny of any special payments.
13. In relation to NHS England senior level appointments, keep succession planning and senior capability under continuous review.

Membership

14. At least three Non-Executive directors, one of whom should be the NHS England Chair.
15. The Committee will be chaired by the NHS England Chair.

Quorum

16. The Committee will meet not less than twice a year.
17. The meeting will be considered quorate if at least two of the Non-Executive Director members are present.

Attendees

18. The Chief Executive will attend to advise the Committee.
19. The Chief Executive will not attend for discussions about his/her own remuneration and terms of service.
20. The National Director responsible for Transformation and Corporate Operations will attend in their role in overseeing the organisation's people and OD function, but will not attend for discussions relevant to his/her own remuneration and terms of service.
21. The Director of People and OD will attend the Committee to provide expert advice on remuneration, but will not attend for discussions relevant to his/her own remuneration and terms of service.
22. The Chair may ask any or all attendees who are not members of the Committee to withdraw to facilitate open and frank discussion of particular matters.

Governance and Administration

23. The Committee will be provided with a secretariat function by the Board Secretary. Duties will include:
 - Setting the schedule of meetings before the start of the financial year
 - Agreement of agenda and papers with Chair
 - ensuring that minutes are taken and keeping a record of matters arising and issues to be carried forward
 - timely distribution of papers before each meeting, usually a minimum of five working days
 - record of actions and other matters arising or issues to be carried forward;
 - The Secretariat will prepare an attendance register for each meeting and ensure that the attendance/non-attendance of all individuals is correctly recorded at each meeting

Urgent Matters between Meetings

24. The Chair may ask the Secretary to convene further meetings of Committee to discuss particular issues considered to be urgent.

Declarations of Interest

25. All potential conflicts of interest must be declared and dealt with in line with NHS England's policies/procedures for handling conflicts of interest. All declarations of interest will be minuted.
26. The Chair will determine if there is a conflict of interest such that the member and/or attendee will be required to not participate in a discussion and/or withdraw from the meeting.
27. The Board Governance Team can provide advice on this matter, and in addition guidance on reporting Declaration of Interests can be found at [SO9.1 of the Standing Orders and Standards of Business Conduct](#). A template for the Declaration of Interest can be found [here](#).

Reporting

28. The Committee will report in writing to the Board in its private meeting.

Terms of Reference Review

29. The Committee Terms of Reference will be reviewed on an annual basis. On this basis, the Terms of Reference of the Committee will be next reviewed in April 2019.