

People and Governance Committee Terms of Reference

Objective and Purpose

1. The role of this Committee is to provide assurance to the Board on arrangements for Board and Committee skills, succession planning, appraisal and nominations arrangements, the review of the People Strategy and to ensure that the Group's governance arrangements meet regulatory and good practice requirements.
2. The Committee also oversees the policy for remuneration of staff, Executive Directors, Board and Committee members, making recommendations to the Board.

Membership

3. Between three and five members, including up to two places for independent members.
4. The Committee will comprise of members with skills appropriate to its purpose including governance and people/occupational development.
5. The Chair of the Board cannot be the Chair of this Committee but is able to be a member.
6. Employees are not permitted to be members of this Committee.

Quorum

7. Three members, at least two of which must be Board members.

Meeting Arrangements

8. The Committee will meet twice a year with the scope for additional ad hoc meetings should a significant need arise.

Lead Officer

9. Executive Director of Strategy, Digital and Culture

Specific duties of the People and Governance Committee

Governance

10. Approve the policy and process for recruitment, appraisal, succession and training and development of all Board and Committee members, providing assurance to the Board on arrangements for Board and Committee skills, succession planning and nominations arrangements.
11. Review the Board Skills & Competencies Framework and ensure the annual appraisal and skills assessment of Board members takes place including an assessment of collective Board and Committee effectiveness.
12. Review the Board skills, diversity, and succession plan annually, recommending its approval to the Board.

13. Approve the composition of any Board Recruitment Panel and oversee Board and Committee member recruitment, including the Chair of the Board.
14. Ensure LHP's overall governance arrangements are reviewed periodically to ensure they remain fit for purpose and are in line with regulatory requirements and good practice, recommending any changes to Board.
15. Scrutinise the annual self-assessments against the NHF Code of Governance, noting any areas and actions to deal with non-compliance. The review will support the Board's certification of compliance with the Governance & Financial Viability Standard for inclusion within the Annual Financial Statements.
16. Oversee any plan of governance improvements including Board development.
17. Hear Member Conduct, Performance and Grievance issues which have been raised to Hearing stage within the Policy.

Remuneration

18. Keep reward and recognition policies and benefits for staff under review and make recommendations on any significant changes to the Board for approval. This includes the review of the annual pay award, recommending approval to the Board.
19. Review the remuneration package for the Chief Executive and the Executive Directors at least every three years, including salary, benefits, and terms of employment, recommending approval to the Board. This can include taking external independent advice from consultants and considering the recommendations from the Chief Executive and the outcome of appraisals and learning and development plans.
20. Ensure the Chief Executive's contract is reviewed once every three years.
21. Review the Remuneration Policy for Board, and Committee members, at least every three years, recommending its approval to the Board.
22. Review any major changes to pension arrangements, recommending approval to the Board. Review and approve the policy on Local Government Pension Scheme Pensions Discretion Policy, Retirement Policy, and the Flexible Retirement Policy.

People and Organisation

23. Review the People Strategy including consideration of the culture and behaviours needed to support the successful delivery of LHP's Corporate Plan, recommending its approval to Board.
24. Scrutinise an annual report of progress against the People Strategy which includes insight on the views of staff, organisation culture and behaviour, prior to consideration by the Board.
25. Ensure that the Chair of the Board undertakes the annual appraisal of the Chief

Executive to agree their objectives, reporting through to the Board.

26. Review any significant change in structure of the Executive Leadership Team, following recommendations from the Chief Executive, recommending any approval to Board. Board members will be involved in the recruitment of ELT members.
27. Review any other significant restructuring proposals escalated jointly by the Chair of the Board and Chief Executive, prior to consideration by Board.
28. Consider all cases and, if appropriate, recommend approval to the Board on any proposed non-contractual severance and redundancy payments and settlement agreements on behalf of the organisation in respect of the Chief Executive and Executive Directors, ensuring that any payments made are lawful and in accordance with the Probity Policy.
29. Scrutinise a report annually on use of all settlement agreements on an anonymised basis.
30. Scrutinise LHP's plans to actively promote equality of opportunity, diversity, and inclusion across all LHP's activities and periodically assess progress against targets.
31. Review the diversity of employees impacted by our pay policies to be assured that there are no adverse impacts on different employee groups.
32. To ensure all the above comply with current employment legislation including assurance that Equality Act requirements are being met.
33. Review, recommend and approve policies and strategies in line with delegations.