

## 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 employees, 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 four times 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 process for recruitment, succession, induction and development of all Board and Committee members, providing assurance to the Board on arrangements for Board and Committee skills, succession planning and nominations.
11. Review the Board Skills, Competencies and Behaviour Frameworks, appraisal process and Board & Committee effectiveness process annually, making recommendations and ensuring completion.
12. Review the Board skills, diversity, and succession plan annually, recommending its approval to the Board.
13. Approve the process for recruitment of all Board, Committee & Trainee Members, including the composition of any Board Recruitment Panel and oversight of Board and Committee member recruitment, including the Chair of the Board, recommending suitable

candidates to the Board for appointment.

14. Oversee the Trainee Board Member Programme.
15. 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.
16. Scrutinise the outcomes and actions from 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 and NHF Code of Governance 2020 for inclusion within the Annual Financial Statements.
17. Oversee any plan of governance improvements including Board development.
18. Hear Member Conduct, Performance and Grievance issues which have been raised to Hearing stage within the Policy.

### ***Remuneration***

19. Keep reward and recognition policies and benefits for colleagues under review and make recommendations on any significant changes to the Board for approval, considering the diversity of colleagues impacted by pay policies to be assured that there are no adverse impacts on different colleague groups.
20. Review of the annual pay award of ELT and colleagues, recommending approval to the Board.
21. Review any reports on pay gaps ahead of publication.
22. 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.
23. Ensure the Chief Executive's contract is reviewed once every three years.
24. Review Board, Committee and Trainee Member payment levels at least every three years taking advice from independent advisors and making recommendations to the Board for approval.
25. Review any major changes to pension arrangements, recommending approval to the Board.

### ***People and Organisation***

26. Review and recommend to Board the Environmental, Social and Governance Strategy and People & Culture Framework and review both annually considering the following and recommending to Board possible changes:
  - changes in policy, political, legislation, regulation, sustainability requirements/aspirations and the economy;

- performance challenges which require addressing;
  - impacts / risks to colleagues which require mitigating; and
  - insight on the views of colleagues, organisation, culture and behaviour.
27. Scrutinise quarterly updates on progress against the Environmental, Social and Governance Strategy and People & Culture Framework to gain assurance that outcomes are being delivered, milestones achieved and risks to day-to-day service delivery are managed, ensuring regulatory standards are met and considering:
    - progress against the activities in the Corporate Annual Plan;
    - progress of change programmes and outcomes of service reviews;
    - areas of performance below target and planned actions to address;
    - updates from colleague insight and complaints of relevance;
    - a culture aligned with LHP values; and
    - changes in risks to delivery.
  28. Review and scrutinise the performance indicators and risks relevant to the Committee quarterly from a point of ownership and escalate any major risks to delivery, compliance, or regulation to the Board or confirm assurance to Board.
  29. Oversight of the process followed by the Chair of the Board to undertake the annual appraisal of the Chief Executive to agree their objectives, reporting through to the Board.
  30. 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.
  31. Review any other significant restructuring proposals escalated jointly by the Chair of the Board and Chief Executive, prior to consideration by Board.
  32. 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.
  33. Scrutinise a report annually on use of all settlement agreements on an anonymised basis.
  34. Scrutinise LHP's plans to actively promote equality of opportunity, diversity, and inclusion across all LHP's activities and periodically assess progress against targets.

#### **Other**

35. Review, recommend and approve the following policies in line with delegations;
  - Code of Conduct;

- Board & Committee Member Appraisal Policy;
  - Board Member Recruitment and Succession Policy;
  - Board and Committee Member Induction and Development Policy;
  - Board & Committee Member Conduct, Performance and Grievance Policy;
  - Employee Pay Progression policy;
  - Redundancy Policy;
  - Executive Reward Policy; and
  - Retirement Policy;
  - Board and Committee Member Remuneration and Expenses Policy;
  - LGPS Pensions Discretion Policy;
  - Equality & Diversity Policy
36. To ensure all the above comply with current employment legislation including assurance that Equality Act requirements are being met. Review the diversity of colleagues impacted by our policies to be assured that there are no adverse impacts on different colleague groups and ensure service provision is fair and inclusive.
37. Undertake a self-assessment of the People & Governance Committee performance and Terms of Reference at least annually and regularly evaluate training needs.