

REMUNERATION GUIDANCE FOR GOVERNING BODY AND CLINICAL LEADS

1	GUIDANCE DRAFTED BY:	HR Business Partner and Primary Care Support Officer & Interim Finance Manager
2	ACCOUNTABLE DIRECTOR:	Director of Quality and Integrated Governance
3	APPLIES TO:	Governing Body Members and Clinical Leads
4	COMMITTEE & DATE APPROVED:	24/7/2014
5	VERSION:	1
6	RELATED DOCUMENTS:	Governing Body Induction Checklist
7	DATE OF IMPLEMENTATION:	1 August 2014
8	DATE OF NEXT REVIEW:	1 August 2015

1. Introduction

Islington Clinical Commissioning Group (CCG) must ensure fair and transparent remuneration arrangements are in place for Governing Body members and Clinical Leads.

This guidance discusses the CCG's responsibilities and its approach to fulfilling them. The guidance is based on best practice and previous internal discussions within the CCG e.g. via the Audit Committee. It should be read by all affected individuals within the CCG.

The guidance provides information for affected individuals on five main areas:

- Remuneration principles
- Standing order arrangements
- Payroll arrangements
- How GP payments are calculated
- Pension contributions

2. Policies statement

Islington CCG's policies and guidance set out the organisation's standards and intentions, and are written with the aim of being as clear and comprehensive as possible. However, we operate in a dynamic and evolving work environment and attention should be paid to the spirit of the guidance as well as the letter. Policies or guidance documents by themselves cannot guarantee effective behaviour or the delivery of key objectives. While they are designed to support the CCG, and the people working within it, our success depends on continuous, high quality effort by everyone the policy covers. Therefore thought must be given to good practice when applying or interpreting any of the CCG's policies, and you should read any guidance or supporting documentation that relates to this document to help you do this.

3. Purpose and Scope of the Policy

The aim of this guidance is to set out a clear, fair and transparent process for the remuneration of Governing Body members and Clinical Leads.

4. Who this policy applies to

The guidance applies to all Governing Body members and Clinical Leads working within Islington CCG. For the purpose of this policy Clinical Leads refers to all clinically based roles including Nurses and GPs. It should be noted that the legal status of affected individuals is as 'Office Holders'. This means the affected individuals are not considered employees of the CCG.

This guidance does not apply to office holder appointment related matters e.g. how staff have been treated at work, conditions of appointment, relationships with colleagues etc. These are covered by HR policies, such as the Grievance Policy, Work Life Balance Policy and the Induction, Development and Appraisal Policy.

5. Remuneration Principles

As a CCG it is our priority to ensure a standardised procedure is in place for all current and future office holders. The key principles to ensure organisational consistency are outlined below:

5.1 Contract for services

- All Clinical Leads and appointed members must be recruited in line with the process outlined at appendix 1.
- Each individual will receive a contract for services outlining their appointment, sessional commitment and pay arrangements. Clinical lead contract for services will be reviewed on an annual basis.
- All sessional agreements will align to individual work plans, however if individuals believe their sessions are not accurate and require review this should be discussed with the relevant budget holder in conjunction with HR. Clinical Director/Chair and Budget holder sign off will be required before additional sessions are carried out.
- All Governing Body Members and Clinical Leads are mandated to receive a mid-year review and annual appraisal by the Chair/Clinical Director of the CCG.

5.2 Remuneration

- It is expected that the sessional commitment outlined within the contract for services includes all work carried out for the CCG including reading and travel time to CCG offices. There should be no additional claims for this.
- Reasonable expense claims can be made for business travel for work covered by individual work plans only; this must be signed off by the relevant Budget Holder. Expenses cannot be claimed for personal commutes to or from work.
- Governing Body Members and Clinical Leads are afforded two options for payment of sessional fees due. They can be individually reimbursed (payment through the payroll system) or payment can be made directly to the GP Practice (via standing order). Once members select their preferred payment method this is locked in to the system for the duration of the term of office.

6. Payments to Individuals (payment through the CCG Payroll System)

The preferred method of payment for Governing Body members and Clinical Leads is through the CCG payroll. Under this method Individuals will be set up on the payroll with the Whittington Health (payroll provider) and will be paid on a monthly basis on the 25th of each month.

To note: Payment received by individuals using this method will be a net payment with PAYE, employee NI contributions and all superannuation payments deducted at source from the accumulated sessional fees due.

Where individuals are set up on the payroll, 'pre-engagement' documentation will need to be completed with the HR team.

7. Payments Directly to GP Practices (Payment via Standing order)

Payment through standing order is only available to GP Partners for making payments direct to GP Practices. Under this payment method a monthly standing order payment is set up by the CCG that reflects 1/12th of the total annual fee due for contracted sessions by Governing Body Member / Clinical Lead.

Standing orders will be set up by the finance and primary care teams as outlined in appendix 2. All standing orders must be approved by the relevant Budget Holder, the Director of Quality and Integrated Governance and the Chief Finance Officer.

Standing Order Payments will be processed in one of two ways:

- 1) A monthly net payment will be processed that deducts Tax and Employees NI but will not deduct employers Superannuation from the sessional rate. Annual fees will be based on 46 weeks with payments totalling 1/12th of the total fee paid on a monthly basis.
- 2) Under HMRC EIM03002, it is possible for fees to be included as trading income within the GP partner practice. This would enable a gross payment to be processed that does not deduct PAYE from the sessional payment. In order to activate this option the GP will need to apply to HMRC under statutory concession ESC A37. The inspector if satisfied the required conditions have been met will issue an NT code for the following income tax year. The CCG will need proof that this process has been completed.

HMRC link:

<http://www.hmrc.gov.uk/manuals/eimanual/eim03002.htm>

To note, under this option class 1 NIC remains applicable and will continue to be deducted from the sessional fees.

There is no requirement for practices to submit invoices for standing order payments although 'pre-engagement' documentation will need to be completed with the HR team as part of setting up the standing order process.

8. **Claims for additional sessions**

It is anticipated that individuals will be able to carry out the requirements of their role within their agreed sessional commitment. However, if additional areas of short term work are identified within the work plan the following process will apply.

Governing Body Members and Clinical Leads are required to seek approval from the relevant Budget Holder, Clinical Director or Chair prior to carrying out additional work which falls outside the scope of their contract for services. The Director of Quality and Integrated Governance will only approve additional sessions once a signed agreement has been obtained from either the CCG Chair, Clinical Director or relevant Budget Holder. (Appendix 3)

Individual Payment Process

For all individuals receiving payment through the payroll system, this will continue to be the means by which additional sessional payments are received. As part of the pre-approval process for additional work, an additional session approval form must be completed and authorised.

Additional Session Approval Forms should be sent to the CCG Project Support Officer where details will be passed to payroll for inclusion in the next pay run.

Payments to GP Practices

The same process applies where agreement has been reached for the Governing Body Member / Clinical leads sessional fees to be paid direct to the GP Practice. The GP Partner must complete the authorised additional session approval form prior to undertaking the work and this form should be submitted to the CCG Project Support Officer and used as the basis for processed payment to the practice through the Exeter payment system.

9. **How GP payments are calculated**

The CCG payment model calculates agreed weekly sessions based on 46 weeks of the year. This takes in to consideration 6 weeks for annual leave/sickness etc and removes any requirement for individuals to make up sessions lost due to leave.

Payment for the delivery of sessions is made on a monthly basis and equates to 1/12th of the total payment due which ensures individuals are paid consistently throughout the year. As GP 'office holders' are not employees, employment rights such as annual leave and payment for sickness absence do not apply.

Individuals should complete a monthly return for sessions completed and notify the relevant budget holder when sessions are missed in order to agree timescales to deliver outstanding sessions. These sessions should be in line with agreed individual work plans.

All new starters will be set up based on the 46 week model. The payment calculation for current GP office holders who are on the payroll will be reviewed to align to this model.

10. **Pension Contributions**

The Pensions Agency is clear that for GPs, the CCG income that they receive is defined as pensionable, this means that a GP does not have the choice to opt out of pensioning this area of their income.

For GPs who are on the payroll the Commissioning Support Unit (CSU) HR and the Finance department will be applying a process known as 'SOLO' to ensure correct NHS Pensions and superannuation contributions are applied to an individual's pay. The aim of the 'SOLO' process is to ensure that contributions for both clinical/practice based work, and for commissioning/CCG work are paid at the same rate and are combined into a single record, so that an individual's final pension entitlement is not affected by having multiple sources of pay.

The SOLO form which applies from April 2013 can be found at the below link:

[http://www.nhsbsa.nhs.uk/Documents/Pensions/GP_SOLO_\(April_2013\).pdf](http://www.nhsbsa.nhs.uk/Documents/Pensions/GP_SOLO_(April_2013).pdf)

It should be noted that SOLO payments cannot be processed for individuals who are paid via standing order. Although it remains the CCG responsibility to make SOLO payments, these are to be included in the fee paid to the practice.

If individuals wish to obtain further information regarding this it is recommended that individual advice is obtained from the NHS Pensions Agency.

10. **Key Contacts**

For any queries regarding the Governing Body and Clinical Lead remuneration please contact:

For payroll queries: Tracy Doyle (Payroll Manager) on tracydoyle@nhs.net
0203 316 1253

For HR queries: Michael Markham (HR Business Partner) on
Michael.Markham@nelcsu.nhs.uk or 0203 688 1106

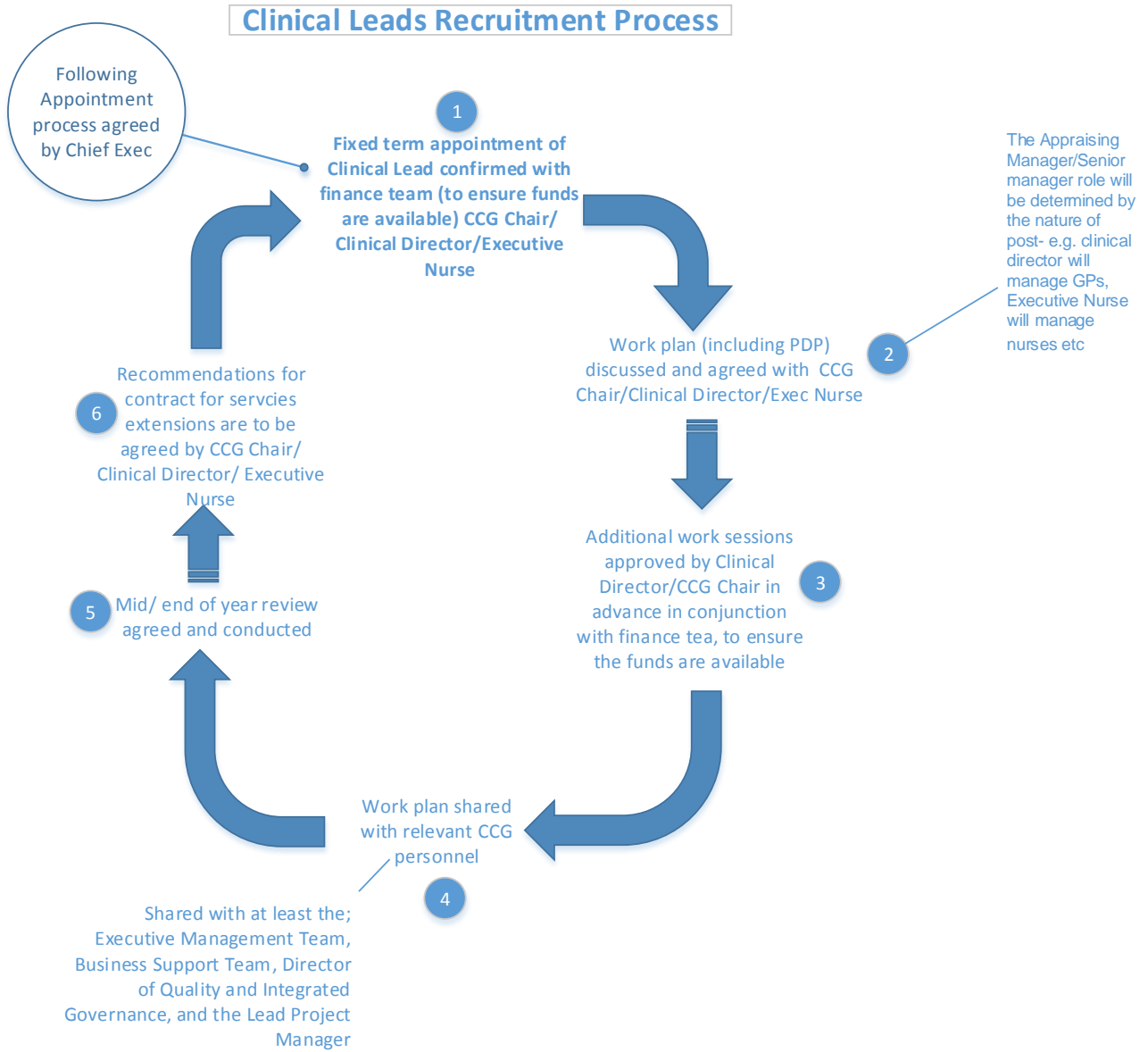
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VERSION

For finance queries: Max LaiKinFoo (Head of Financial Planning and Strategy) on
Max.LaiKinFoo@islingtonccg.nhs.uk

For standing order queries: Tracey Martinez on Tracey.Martinez@islingtonccg.nhs.uk or
0208 688 2909

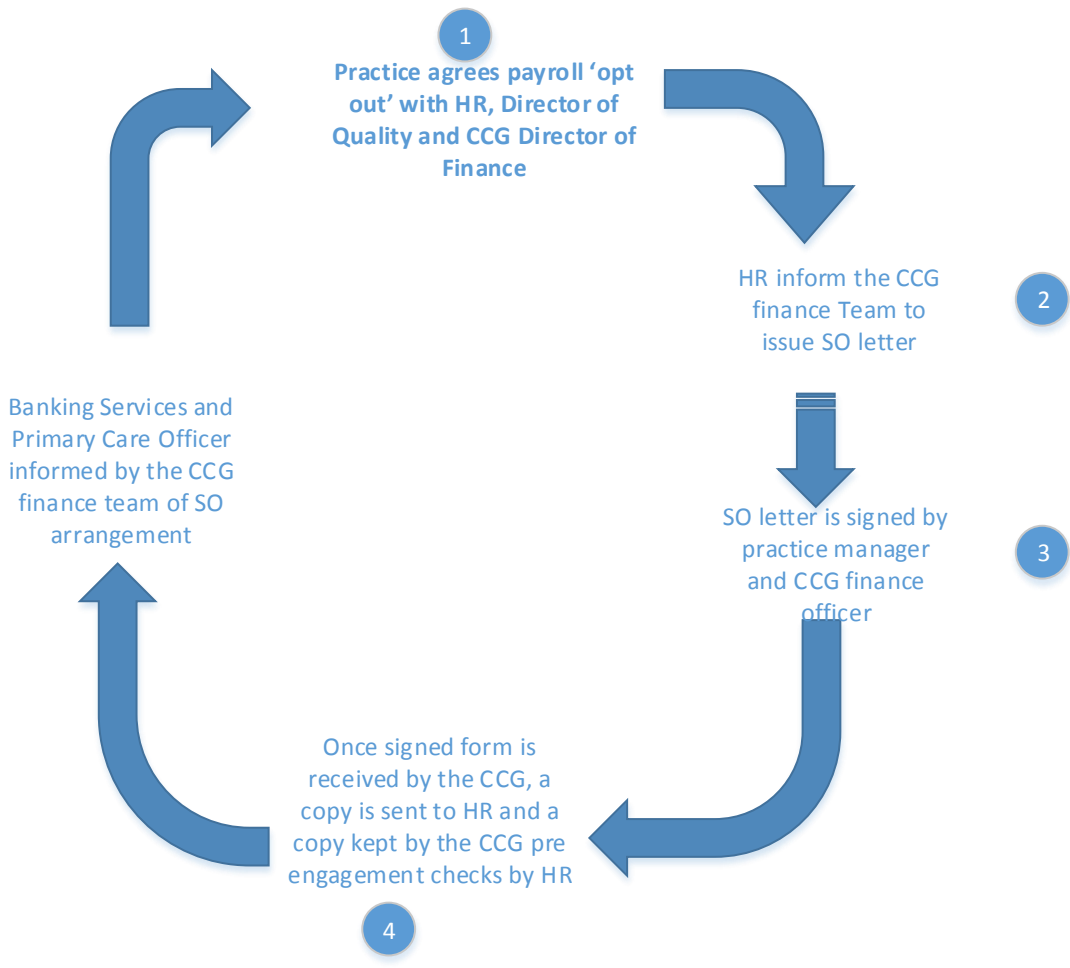
For specific pensions queries: NHS Pensions Agency 0300 3301 346 or 0191 279 0571

APPENDIX 1: CLINICAL LEADS RECRUITMENT PROCESS



APPENDIX 2: STANDING ORDER PROCESS FLOWCHART

Standing order arrangements process



APPENDIX 3 Governing Body and Clinical Lead Session Management and Payment System

