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## REMUNERATION COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

***Date of Board approval: January 2023***

### 1. PURPOSE AND ROLE

- 1.1 To consider and agree performance objectives and performance appraisals for staff in the Executive cohort and to oversee performance arrangements for designated senior managers. The Committee will be responsible for applying the remit detailed in NHS: MEL (2000) 25, NHS HDL (2002) 64 and subsequent guidance:

[https://www.sehd.scot.nhs.uk/mels/2000\\_25.pdf](https://www.sehd.scot.nhs.uk/mels/2000_25.pdf)

[https://www.scot.nhs.uk/sehd/mels/HDL2002\\_64.pdf](https://www.scot.nhs.uk/sehd/mels/HDL2002_64.pdf)

- 1.2 To direct the appointment process for the Chief Executive and Executive **Directors Members of the Board.**

- 1.3 ***Additionally, for the duration of the NHS Highland Healing Process, the Committee will be responsible for reviewing and approving the recommendations of the Healing Process Independent Review Panel.***

### 2. COMPOSITION

- 2.1 The membership of the Remuneration Committee will be:

- Board Chair
- Board Vice Chair
- Employee Director
- 2 Non Executive Directors

- 2.2. The Director of People and Culture shall serve as the Lead Officer to the Committee.

- 2.3 All Executive members in attendance at the Committee will leave the meeting when any discussion takes place with regard to individual Directors' performance, **apart from the Lead Executive to the Committee.** The NHS Highland Chief Executive **and the Lead Executive to the Committee** will leave the meeting when there is any discussion with regard to their own **respective** performance, and pay and conditions.

### 3. QUORUM

- 3.1 Meetings will be quorate when at least **two three** members are present.

### 4. MEETINGS

- 4.1 The Committee shall meet as necessary, but not less than three times a year.

4.2 The NHS Highland Board Vice Chair will chair the Committee.

4.3 If the Chair is absent from any meeting of the Committee, the Committee Vice Chair will preside at the meeting. In the absence of both the Chair and the Vice Chair, members shall elect from amongst themselves one of the other Committee members to chair the meeting.

4.4 The agenda and supporting papers for each meeting will be sent out at least five clear working days before the meeting.

4.5 The principal minutes will be circulated to all Committee members. Abridged minutes edited to remove all personal details will be circulated to all Board members.

## 5. REMIT

5.1 The remit of the Remuneration Committee is to:

- Agree all the terms and conditions of employment of Executive Directors and Senior Managers of the Board, including
  - job descriptions
  - job evaluation
  - terms of employment
  - basic pay
  - performance related pay
  - benefits (removal arrangements and cars)
- Agree objectives for executives before the start of the year in which performance is assessed
- To assure the Board that effective arrangements are in place for carrying out the above two functions in respect of all other senior managers
- Conduct a regular review of the Board's policy for the remuneration and performance assessment of executive directors, other senior managers and medical consultants, in the light of guidance issued by the SGHD and any specific National, External or Internal Audit Report.
- Agree the output of the Discretionary Points Advisory Committee in relation to the award of discretionary points to Consultants.
- ***To review and approve all Independent Review Panel recommendations associated with NHS Highland's agreed Healing Process of March 2020. The Committee sees anonymised recommendations and, given the inherent sensitivities, all Committee attendees must adhere to the need for strict confidentiality in relation to all information from the Independent Review Panel shared with the Committee.***

The Remuneration Committee, under the leadership of the Chair will:

- Ensure Remuneration **Sub**Committee members are fully trained to undertake Committee member duties.
- Ensure efficient and effective use of public monies in relation to managerial and executive pay.
- Ensure that decisions on pay are fully supportable and auditable.
- Ensure that individual targets and assessments of performance against targets are tied to the Board's overall performance in providing health and social care services.
- Take full account of Government policy on pay in the public sector and the need to contain overall management costs when determining pay increases.

## **6. AUTHORITY**

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 6.2 In order to fulfil its remit, the Remuneration Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.
- 6.3 Delegated authority is detailed in the Board's Standing Orders and Standing Financial Instructions and is set out in the Purpose and Remit of the Committee.

## **7. REPORTING ARRANGEMENTS**

- 7.1 The Remuneration Committee reports directly to the NHS Highland Board on its work. Minutes of the Committee are presented to the Board **In Committee** by the Committee Chair, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board. The Remuneration Committee has access to the National Remuneration Committee Self-Assessment Pack to ensure that the performance is in line with National Guidance.
- 7.3 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.
- 7.4 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.