

NHS Shetland

Meeting:	Shetland NHS Board
Meeting date:	26 June 2025
Agenda Reference:	Board Paper 2025/26/19
Title:	Annual Report on activities of the Remuneration Committee 2024/25
Responsible Executive/Non-Executive:	Lorraine Hall, Director of Human Resources and Support Services/Natasha Cornick, Chair Remuneration Committee
Report Author:	Lorraine Hall, Director of Human Resources and Support Services

1. Purpose

This is presented to the Board/Committee for:

- Approval

This report relates to:

- Government policy/directive
- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person-centred

2. Report summary

2.1. Situation

The Remuneration Committee is asked to receive and approve this report to go to the Board meeting on 26 June 2025.

This report provides an insight of the work discharged by this Committee over the course of the year, 01 April 2024-31 March 2025.

2.2. Background

The Remuneration Committee comprises four Members as defined by the Board's Standing Orders (approved by the Board following discussion on the Staff Governance Standard 4th Edition) as follows:

Board Chairman;

Board Vice-Chairman;

Chair of the Audit Committee and

Employee Director

The Chair of the Committee is the Board Vice-Chair.

The Director of Human Resources and Support Services acts as the Executive Advisor to the Remuneration Committee and the Chief Executive is in attendance (except for items where an interest is disclosed). Other members of the Executive Management team are invited to the meeting to present papers as necessary.

The Terms of Reference for the Remuneration Committee were reviewed at the meeting on 04 February 2025. Following a change to wording they were submitted again to meeting on 12 June 2025.

2.3. Assessment

Meeting Dates

During the year the Remuneration Committee met on two occasions: 20 June 2024 and 04 February 2025 which is in line with the timetable set for Remuneration Committees by the National Performance Monitoring Committee

Summary of activities during the year

- Controls and Assurance Framework
- Annual Report on the work of the Remuneration Committee 2023/24
- Annual Report on Executive/Senior Manager Vacancies, Acting Up and Interim Arrangements 2023/24
- Annual Report of Severance Payments 2023/24
- Review of Performance 2023/24- Chief Executive
- Review of Performance 2023/24- Executive Directors

- Draft objectives for Chief Executive 2024/25
- Draft objectives for Executive Directors 2024/25
- Terms of Reference- Annual Review
- Business Cycle 2025/26
- Annual Report for Audit Committee 2024/25
- Certificate of Assurance 2024/25
- Mid-Year Performance Review- Chief Executive 2024/25
- Mid-Year Performance Review- Executive Directors 2024/25

The Committee also discussed items related to specific employees which are not detailed on the list above. These conversations are fully minuted and available where required by Scottish Ministers and the Governance process pertaining to Board’s Remuneration Committees.

Remuneration Committee noted the following circulars and other correspondence:

PCS (ESM) 2024-1- Consolidated Performance Related Pay for ESM Staff 2023-24
NHS Shetland- NPMC Board Assurance Letter 2022-2023
Performance Management Arrangements for colleagues in the Executive and Senior Management Cohorts (Letter 28 March 2024)
Objective Setting for Executives within NHS Scotland 2024-25 (Letter 02 April 2024)
PCS(ESM) 2024-2 Pay Circular for 2024-25
PCS (DD) 2024-01 Medical and Dental Pay
PCS (MD) 2024-01 Medical Directors Pay

Compliance

The National Performance Monitoring Committee reviewed the Performance Review Outcomes for all those within the Executive Cohort 2023/24 and deemed these to be robust. The Letter of Assurance was received on 31 January 2025.

The Remuneration Committee complied with all the CELs /PCSs as laid down and it met all the timescales required for the necessary returns to Government Departments.

2.3.1. Quality / patient care

Ensuring that Directors of the organisation have appropriate objectives that link to the strategic delivery agenda supports quality and patient/staff care.

2.3.2. Workforce

Each Director has an objective aligned to demonstrating contribution to valuing and leading people.

2.3.3. Financial

This forms part of the annual performance cycle which along with other information aids members in fulfilling their corporate responsibilities.

2.3.4. Risk assessment/management

The Risk Assurance Framework is a standing agenda item on the committee and manages and mitigates risk as appropriate.

2.3.5. Equality and Diversity, including health inequalities

As this is an annual report, no impact assessment is required.

2.3.6. Other impacts

Not applicable.

2.3.7. Communication, involvement, engagement and consultation

This report is considered by Remuneration Committee before being presented to the NHS Shetland Board meeting.

2.3.8. Route to the meeting

Remuneration Committee, 12 June 2025

3. List of appendices

Not applicable.